



Please reply to:

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Date: 02 October 2026

Notice of meeting

Corporate Policy and Resources Committee

Date: Monday, 12 October 2026

Time: 7.00 pm

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

To the members of the Corporate Policy and Resources Committee

Councillors:

G. Neall (Chair)	J. Button	M.J. Lee
C. Bateson (Vice-Chair)	D.C. Clarke	D. Saliagopoulos
M.M. Attewell	S.M. Doran	J.R. Sexton
J.R. Boughtflower	R.V. Geach	J.A. Turner
M. Buck	S. Gyawali	H.R.D. Williams

Substitute Members: Councillors S.N. Beatty, H.S. Boparai, T. Burrell, K. Howkins, S.C. Mooney 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

Page nos.

1. Apologies and Substitutes

To receive apologies for absence and notification of substitutions.

2. Disclosures of Interest

To receive any disclosures of interest from councillors in accordance with the Council's Code of Conduct for members.

3. Minutes

7 - 12

To confirm the minutes of the meeting held on 08 September 2026 as a correct record.

4. Questions from members of the Public

The Chair, or their 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. Write Offs - Sundry Debts and Housing Benefits

13 - 24

Committee is asked to:

Approve the write-offs set out in the appendices for Sundry Debt (Appendix 1) and Housing Benefits (Appendix 2) which total £52,026 which relate to irrecoverable debt relating to Sundry Debt (Assets) and Housing Benefits.

6. Proposed ICT Server Procurement

25 - 34

Committee is asked to:

1. Authorise the Council's ICT Manager to commence a procurement process for the purchase of new ICT servers for a maximum total contract value of £150,000,
2. Authorise the Group Head of Commissioning and Transformation to select the preferred supplier for new ICT servers and award a contract not exceeding the available budget; and
3. Authorise the Group Head of Corporate Governance to enter into the contract and necessary legal documentation to purchase the new servers.

7.	Governance Assurance Update - EDI and Financial Management	35 - 54
	Committee is asked to:	
	a) Note the current overall assurance level for the Governance Assurance Areas under the remit of the Corporate Policy and Resources Committee (Appendix A), which form part of the Council's Governance Assurance Register; and b) Consider the key areas of focus concerning the Governance Assurances Areas relating to: 'Ensuring we meet out EDI duties and responsibilities' (Appendix B) - And 'Ensuring the Council's financial management and long-term planning arrangements are effective to secure financial sustainability (Appendix C).	
8.	Annual Commercial Property Report for Financial Year 2025/26	55 - 80
	Committee is asked to:	
	1. Approve the Annual Commercial Property Report for the year ending 31 March 2026; and 2. To publish the Annual Commercial Property Report attached as Appendix A on the Council's website.	
9.	Procurement of resource to support the LGR transition and transformation process	
	Committee is asked to consider the procurement to modify the contract of the Head of LGR and Special Projects to support Spelthorne's transition into West Surrey and contribute towards the required transformation process.	
10.	Procurement of resource to support the preparation of an evidence-based Housing Delivery Plan	
	Committee is asked to consider the procurement of Inner Circle Consulting to deliver an evidence-led Housing Delivery Plan which can be taken forward by West Surrey Council.	
11.	Procurement of Environmental Health Senior Management Support	
	Committee is asked to consider a report that seeks an extension to the contract for the Interim Head of Environmental Health.	
12.	Disposal of Communications House, Staines	81 - 168

Committee is asked to:

- 1) Consider the proposed disposal terms as set out in this report; and
- 2) Recommend that the Council:
 - 2.1 Approve the disposal terms set out in this report;
 - 2.2 Delegate authority to the Chief Finance Officer and Group Head of Assets, in consultation with Chair and Vice-Chair of Corporate Policy and Resources Committee to agree minor variations to the Heads of Terms and adjustments to the sale price; and
 - 2.3 Delegate authority to Group Head of Corporate Governance to enter into a transfer to complete the disposal and any ancillary legal documentation required in relation to the proposed disposal.

Appendices 1-5 (inclusive) contain 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 Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information) and in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because, disclosure to the public would prejudice the financial position of the authority in any contract or other type of negotiation with a prospective purchaser who could then know the position of the Council.

13. Disposal of 12 Hammersmith Grove, London W6

169 - 208

Committee is asked to:

- 1) Consider the proposed disposal terms as set out in this report; and
- 2) Recommend that the Council:
 - 2.1 Approve the disposal terms set out in this report;
 - 2.2 Delegate authority to the Chief Finance Officer and group Head of Assets, in consultation with Chair and Vice-Chair of Corporate Policy and Resources Committee to agree minor variations to the Heads of Terms and adjustments to the sale price; and
 - 2.3 Delegate authority to Group Head of Corporate Governance to enter into a transfer to complete the disposal and any ancillary legal documentation required in relation to the proposed disposal.

Appendices 2-6 (inclusive) contain 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 Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding

that information) and in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because, disclosure to the public would prejudice the financial position of the authority in any contract or other type of negotiation with a prospective purchaser who could then know the position of the Council.

14. Forward Plan 209 - 216

To consider the Forward Plan for committee business.

15. Urgent Actions 217 - 222

To note those urgent actions which have been taken by the Chief Executive in consultation with the Leader since the last Corporate Policy and Resources meeting on 8 September 2026.

1. Electricity Contract for the Investment Portfolio

This item was considered and agreed at Council on 17 September but due to time constraints was not able to be considered by this Committee.

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**Minutes of the Corporate Policy and Resources Committee
8 September 2026**

Present:

Councillor G. Neall (Chair)
Councillor C. Bateson (Vice-Chair)

Councillors:

M.M. Attewell	S. Gyawali	J.R. Sexton
M. Buck	M.J. Lee	J.A. Turner
D.C. Clarke	D. Saliagopoulos	H.R.D. Williams

83/26 Apologies and Substitutes

Apologies were received from Councillors Boughtflower, Button, S Doran and Geach.

Councillor Howkins was in attendance as substitute for Councillor Boughtflower.

Councillor Lee joined the meeting at 19.10

84/26 Minutes

The minutes of the ordinary meeting held on 13 July 2026 and the extraordinary meeting on 29 July 2026 were agreed as a correct record.

85/26 Disclosures of Interest

Councillors Attewell, Bateson and Sexton declared that they were also West Surrey Shadow Authority Councillors.

86/26 Questions from members of the Public

There were none.

87/26 Q1 2026/27 Performance Report

Following a short debate, the Committee **resolved** to agree that they have been informed and assured of the 2026/27 performance updates relating to:

1. Corporate Key Performance Indicators; and
2. Progress with the delivery of the Council's Transitional Plan

88/26 Complaints Reporting - Annual Report 2025/2026

The Committee considered the Annual Complaints Report 2025/26.

The Group Head of Commissioning and Transformation advised members that the Council's complaint procedure consisted of two levels of complaints. Initially, all new complaints were treated as Stage 1 complaints and were responded to by the relevant service. As this stage, as much information and evidence was gathered to provide a robust response. If the complainant is not satisfied with the response from the service, the complaint will be escalated to a Stage 2 complaint and would be dealt with by the Complaints Officer. If the second response did not satisfy the complainant, it could be referred to the Local Government and Social Care Ombudsman for them to review both the original complaint and the Council's responses.

Concerns were raised about the increase in Stage 1 complaints received in 2025/26. It was suggested that social media provided a platform for the public to express dissatisfaction and made it easier for people to submit complaints.

The Committee **resolved** to agree to receive and acknowledge the report.

89/26 Treasury Management Annual Outturn Report 2025/26

The Committee considered the Annual Treasury Management Outturn Report that sought to inform members. The Council had a statutory duty to present to this Committee and Council to show the performance of the Council's Treasury Management activities during the financial year.

The Committee were advised that the value of the Council's assets was £526m as at 31 March 2026; this equated to a 51% loss compared to the original prices paid.

The Committee requested that an overview of the properties sold in 2026/27 and the sale price be produced and distributed to members to ensure that they are fully informed.

Members were advised that, as outlined in the report, the Council's debt with the Public Works Loans Board (PWLB) was £717.5m as at 31 March 2026.

It was planned that Treasury Management training would be provided to all members.

Concerns were expressed about the lack of comments from the Commissioners both in the report and on the checklist and some members stated that they considered this to be an incomplete report and were therefore unable to receive it.

A recorded vote was requested by Councillor Williams.

For	Councillors Neall, Attewell, Bateson, Gyawali, Turner – 5 votes
Against	Councillors Buck, Clarke, Howkins, Lee, Saliagopoulos, Williams – 6 votes
Abstain	Sexton – 1 vote

The Committee **resolved** not to agree to receive the Treasury Management Outturn Position for 2025/26.

90/26 Governance Assurance update - Organisational Resilience and Cyber Resilience

The Committee considered a report that sought to provide members with an update on organisational resilience and cyber resilience.

It was proposed by Councillor Bateson and seconded by Councillor Gyawali to move the meeting into a closed session to discuss exempt information.

For – 4 votes

Against – 4 votes

Abstain – 4 votes

The Chair used his casting vote to move the meeting into a closed session.

Following the discussion in the closed session the meeting moved back into an open session to vote on the recommendations.

The Committee **resolved** to:

1. Receive the current overall assurance level for the Governance Assurance Areas under the remit of the Corporate Policy & Resources Committee (Appendix A), which form part of the Council's Governance Assurance Register; and
2. Consider the key areas of focus concerning the Governance Assurance Areas relating to Organisational Resilience (Appendix B) and Cyber Resilience (Confidential Appendix C).

91/26 Petitions

The Committee considered the following petition that was presented by Mr Alex Balkan:

1. Establish a time-limited partnership with Visit Staines BID, residents, businesses and community organisations,

2. Approach Sacha Baron Cohen, his representative and the relevant rights holders at an early stage, inviting him to help shape and potentially fund the initiative,
3. Explore a temporary licensed attraction, event or photo opportunity during the new film's promotional period,
4. Assess public support and develop a permanent statue, sculpture or other landmark only if external funding is secured for its design, installation and maintenance,
5. Include a secure donation facility supporting affordable sport, arts, leisure and community activities for children and young people in Staines; and
6. Ensure the initiative meets the Council's legal, financial, planning, safety and ethical requirements, while retaining suitable creative freedom for Ali G's irreverent humour and satire.

During the debate members raised the following concerns:

1. The Ali G character had belittled Staines-upon-Thames in the past
2. The Council should not support commercial enterprise from outside the Borough
3. No research had been done to understand how much of a positive value this would add to Staines-upon-Thames
4. Scenes from an Ali G film had been filmed at the Matthew Arnold School in Staines-upon-Thames.
5. This would help make Staines-upon-Thames a visitor attraction
6. No evidence of the actor, Sacha Baron Cohen having given anything back to the town
7. Controversy around the character caused the name change from Staines to Staines-upon-Thames
8. The Council has to prioritise their work due to Local Government Reorganisation, and this would not be considered a priority
9. The Ali G character was highly controversial

The Committee **resolved** not to take the action requested for reasons put forward in the debate.

92/26 Urgent Actions

There were no urgent actions.

The meeting adjourned 20.59

The meeting reconvened 21.06

93/26 Residential Acquisitions for Housing Need

The Committee were advised that approval was given by Full Council to use the balance of a Commuted Sum and monies from Local Authority Housing Fund to purchase properties to help mitigate affordable housing and temporary accommodation pressures as well as reduce the numbers currently living in nightly paid and temporary accommodation.

Members were advised that the Commuted Sum had to be spent or committed as expenditure within 5 years of receipt of it would have to be paid back to the developer. The Local Authority Housing Fund had to be spent by 31 March 2027.

Six properties had been identified as potential purchases, 4 long leaseholds, a freehold and 1 with a share of the freehold.

Councillor Turner proposed and Councillor Bateson seconded and the Committee resolved to go into a closed session to enable exempt information to be considered.

The meeting returned to an open session for the vote.

The Committee **resolved** to:

1. Approve the acquisition of 4 leasehold properties, 1 freehold property and 1 property with a share of freehold, all located in the Borough as set out in Appendix 1,
2. Delegate authority to the Chief Finance Officer and Group Head of Assets, in consultation with the Chair and Vice-Chair of the Corporate Policy and Resources Committee, to agree minor variations to the agreed terms; and
3. Delegate authority to the Group Head of Governance to enter all relevant documentation relating to the acquisition referred to above.

It was proposed by Councillor Bateson and seconded by Councillor Turner to suspend Standing Order 38.2 to go 10.30pm to complete the business of the meeting. Due to an equality of votes, the Chair used his casting vote to agree to the meeting going beyond 10pm.

94/26 Disposal of Elmbrook House and 17 Station Road, Sunbury

The Committee considered a report that sought a recommendation to Council to approve the proposed disposal of Elmbrook House and 17 Station Road, Sunbury.

Concerns were raised about the legacy debt that Spelthorne Borough Council would pass to the West Surrey Authority (WSA) and whether the Leader of the WSA had been approached to gauge their opinion on the Council's rationalisation programme and, in particular, the need for any further asset disposals. Members were advised that the Mid Term Financial Plan for WSA would need to be completed and that it would be based on the assumption that Spelthorne BC would be reducing their outstanding debt. The Chief Executive was asked to write to the Acting Head of Paid Services at West Surrey to ask for their comments on any future asset disposals.

A recorded vote was requested.

For	Councillors Neall, Attewell, Bateson, Gyawali, Sexton, Turner – 6 votes
Against	Councillors Buck, Clarke, Howkins, Lee, Saliagopoulos – 5 votes
Abstain	Williams – 1 vote

The Committee **resolved** to consider the proposed disposal terms as set out in the report and to make a recommendation to Council:

1. To approve the disposal terms set out in the report,
2. To delegate authority to the Chief Finance Officer and Group Head of Assets, in consultation with the Chair and Vice-Chair of the Corporate Policy & Resources Committee to agree minor variations to the Heads of Terms and adjustments to the sale price; and
3. To delegate authority to the Group Head of Corporate Governance to enter into a transfer to complete the disposal and any ancillary legal documentation required in relation to the proposed disposal.

95/26 Forward Plan

The Committee **resolved** to note the Forward Plan for future business of the Committee.



Committee Report Checklist

Please submit the completed checklists with your report. If final draft report does not include all the information/sign offs required, your item will be delayed until the next meeting cycle.

Stage 1

Report checklist – responsibility of report owner

ITEM	Yes / No	Date
Councillor engagement / input from Chair prior to briefing		
Relevant Group Head review	Y	14/9/26
MAT+ review (to have been circulated at least 5 working days before Stage 2)	Y	15/9/26
This item is on the Forward Plan for the relevant committee		
	Reviewed by	
Finance comments (circulate to Finance)	AB	17/09/26
Risk comments (circulate to Lee O'Neil)	LO	16/09/26
Legal comments (circulate to legal@spelthorne.gov.uk)	LH	16/09/26
HR comments (if applicable)		

For reports with material financial or legal implications the author should engage with the respective teams at the outset and receive input to their reports prior to asking for MO or s151 comments.

Do not forward to stage 2 unless all the above have been completed.

Stage 2

Report checklist – responsibility of report owner

ITEM	Completed by	Date rec'd
Monitoring Officer commentary – at least 5 working days before MAT	L Heron	16/09/26
S151 Officer commentary – at least 5 working days before MAT	T. Collier	15/09/26
Commissioner engagement	L. Seary	15/09/26
	Delete as applicable:	No issues
Confirm final report cleared by MAT	T.Collier	17/09/26

Corporate Policy and Resources Committee

Date of meeting 12 October 2026

Title	<i>Write off report</i>
Purpose of the report	To make a decision
Report Author	Sandy Muirhead Group Head Commissioning and Transformation Karen Sinclair Group Head Community Wellbeing Terry Collier Deputy Chief Executive and Section 151 Officer
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	
Corporate Priority	Community Services
Recommendations	Committee is asked to: Approve the write-offs set out in appendices for sundry debt (Appendix 1) and housing benefits (Appendix 2) which total £52,026 which relate to irrecoverable debt relating to sundry debt (Assets) and Housing Benefits.
Reason for Recommendation	To meet the requirements of the Council's Financial Regulations and best practice by CIPFA we need to formally write-off debts over £3,000 which are unrecoverable.

1. Executive summary of the report *(expand detail in Key Issues section below)*

What is the situation	Why we want to do something
From time to time there can be a few sundry debts or housing debts which are irrecoverable despite best efforts to recover them. Assets and Customer Services have put forward two cases and Housing Benefits five cases for write off which are deemed irrecoverable.	To meet the requirements of the Council's Financial Regulations and best practice by the Chartered Institute of Public Finance and Accountancy (CIPFA) we need to formally write-off debts that are irrecoverable.
This is what we want to do about it	These are the next steps
To formally write-off the debts as required.	Subject to approval, write off the two sundry debts (assets) and five housing benefit debts, while continuing Council

	recovery procedures for other outstanding debts to minimise future write-offs wherever possible.
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2. Key issues

- 2.1 The Council has clear procedures for recovering unpaid debts and writing them off those that cannot be recovered, as set out in the Corporate Debt Policy and Financial Regulations. The write-off requests in this report exceed the £3,000 limit delegated to officers under those rules, so the cases listed in Appendices 1 and 2 require Committee approval.
- 2.2 In certain cases, despite pursuing the debt, it becomes irrecoverable for various reasons. Appendix 1 provides details of the 2 cases being requested for write off under sundry debt due to being unable to trace a tenant of a fishing lake site and an ex-resident of the White House who is in difficult personal circumstances. Appendix 2 covers cases in Housing Benefits dating back some time which are irrecoverable due to not being able to trace individuals concerned.
- 2.3 The appendices provide reasons why monies owed cannot be recovered. In these cases, claimants' circumstances have changed and although in the cases there have been attempts to contact the clients it has reached a point where recovery of the remainder is no longer feasible. As a result, the services recommend that they be written off. This amounts to £10,341 for sundry debt (assets) and £41,685 for Housing Benefits.
- 2.4 Appendix 3 of the Council's Corporate Debt Policy [Corporate Debt Policy 0.pdf](#) sets out the recovery procedures for sundry debt. The Sundry Debt team proactively pursues recovery by letter and telephone. Where all internal recovery options have been exhausted, cases are referred to enforcement agents. Appendix 5 of the corporate debt policy covers recovery procedures for Housing Benefits.
- 2.5 Following the March 2025 revision to the Corporate Debt Policy approved by this Committee and further changes approved in April 2026, the Recovery Team for sundry debts has continued to work with services to reduce aged debt and introduce processes that help prevent future debt build-up, ensuring service debts are managed promptly.

3. Options appraisal and proposal

- 3.1 Option 1 (preferred option) It is proposed that the debt amount of £52,026 is written off. This is because no further action can be taken to recover these debts as all procedures to do so have been undertaken, and it is good accounting practice in such cases to write them off and as such, no other options are available
- 3.2 Option 2. To not write off debt is not considered good practice by CIPFA and would lead to considerable amounts of aged debt on the Council's accounts which could not be collected.

4. Risk implications

- 4.1 By having effective, robust governance arrangements in place to identify, manage and reduce risk of such debts the Council can minimise the risk of bad debts arising. This is covered under the Financial Management section in the Council's Governance Assurance Register.
- 4.2 The Council is potentially exposed to the risk of sundry and Housing Benefits debtors not paying. Debts are chased as far as possible but eventually if not paid the debt shows as aged debt on the Council's accounts. However, through the work of the corporate debt recovery team with individual services the Council has put in place governance arrangements to minimise the risk of such debts requiring write offs.

5. Financial implications

- 5.1 The unrecoverable debt sundry debt and Housing Benefits is broken down per case in Appendix 1 and 2 with a total proposed write-off of £52,026.
- 5.2 For 2026–27, a bad debt provision of £1.029m has been established, which represents a prudent level given the current outstanding debt of approximately £2m. The proposed write-off falls within the available provision and can therefore be accommodated without impacting the revenue position.

6. Legal comments

- 6.1 There are no legal implications arising directly from the recommendations in this report, but it should be noted that debt write-off is considered as a last resort only.

Corporate implications

7. Commissioners' comments

- 7.1 There are no comments from Commissioners.

8. S151 Officer comments

- 8.1 The S151 Officer confirms that all financial implications have been taken into account and that the recommendations can be fully funded from the bad debts provision.

9. Monitoring Officer comments

- 9.1 Non-payment of debt impacts on the Council's financial position and all available options must be considered before debts are written off.

10. Procurement comments

- 10.1 There are no procurement implications arising directly from the recommendations in this report.

11. Equality and Diversity

- 11.1 In seeking to recover debt we need to ensure we have an equitable approach to all, and this is ensured through our recovery policy Equality and Diversity provisions.

12. Sustainability/Climate Change Implications

- 12.1 Ensuring we maximise wherever possible debt assists our financial sustainability which contributes to the Council also achieving its social and environmental goals.

13. Other considerations

- 13.1 In recovering debt procedures, the Council always takes account of personal circumstances where appropriate including, if necessary, payment plans.
- 13.2 A tracing service should start shortly to enable greater opportunity for tracing clients that cannot be found by other means.

14. Local Government Reorganisation Implications

- 14.1 There are no direct implications for LGR, but it would be appropriate to ensure we minimise aged debts requiring write off before vesting day and to maximise recovery wherever feasible.

15. Timetable for implementation

- 15.1 The agreed write-off should be actioned as soon as practicable

16. Contact

- 16.1 Sandy Muirhead Group Head Commissioning and Transformation
- 16.2 Terry Collier Deputy Chief Executive and Section 151 Officer
- 16.3 Karen Sinclair Group Head Community Wellbeing

***Please submit any material questions to the Committee Chair and Officer
Contact by two days in advance of the meeting.***

Background papers: There are none.

Appendices:

Appendix 1 Sundry debt (Assets)

Appendix 2 Housing Benefit Write Offs

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Appendix 1 Request to write off debt

Debtor Name	CT
Account reference	T802291
Debtor Contact	Not known
Invoice amount	£6,340.96
Date of issue	10.11.2025
Outstanding balance	£6,340.96
Reason for write off <i>(deceased/insolvent/absconded/statute barred/uneconomical to pursue)</i>	Uneconomical to pursue as resident is unemployed, mentally unwell, and has no recourse to public funds.
Recovery action taken <i>(include dates of letters sent and other attempts)</i>	CT was referred to White House for housing, and the housing team were expecting them to be eligible for benefits. After a lengthy process, and several appeals, the DWP stated that they were not eligible for benefits/public funds. They were too unwell to be employed and when they left the White House they were sectioned under the mental health act.
Requested by	Vicki Ellis
Date	6.8.2026
Request sent to Committee (Under £3k Group Head, over is Committee)	

Debtor Name	AW
Account reference	Customer number: 044273 Invoice number: 0000318681
Debtor Contact	Not known
Invoice amount	£3,999.96
Date of issue	02.10.2019
Outstanding balance	£3,999.96
Reason for write off Details of charges: 01 April 2019 to 31 March 2020 Reason for W/O:	This was the fee for the licence of the land at Bugle Fishing Lake for use by the Fishing Club. It relates to the period 1 st April 2019 to 31 st March 2020 and as the debt is now over 7 years it is now too old to collect. The customer

<i>(deceased/insolvent/absconded/statute barred/uneconomical to pursue)</i>	has absconded. The Council instructed legal to recover the arrears at the last known address of the former Tenant, but they were no longer residing at the address and could not be traced.
Recovery action taken	The matter predates current staff, but it is understood the tenant absconded and no one has managed to collect the outstanding rent. Legal were involved but also failed to elicit any response.
Requested by	Lucy Penney/Sian Bowen
Date	27.8.2026
Request sent to Committee (Under £3k Group Head, over is Committee)	

Appendix 2 Housing Benefits Write Offs

Type of Debt (reference no.)	Name and address	Amount £	Period	Comments
Housing Benefits 444679	CB	£5,807.76	03.04.2017 to 15.04.2019	
Summary	These overpayment invoices were raised on 15th and 17th April 2019. This claim was assessed as a standard claim based on her partner's earnings and tax credits. Due to an investigation by the DWP her claim was reassessed to include her earnings from child minding. The Council received the notification from the DWP on 10th April 2019 concerning the undeclared earnings. The overpayment was being recovered from her future benefit entitlement until we were notified by the Council Tax department that they had vacated the property with no forwarding address provided. Since then, we have been unable to trace the claimant and there is no record of their residence on their DWP records; it is possible that they may have returned to Portugal. As we cannot locate the claimant and the debt is over six years old it is being recommended for write off.			
Total Sundry Debt	£5,807.76			

Type of Debt (reference no.)	Name and address	Amount £	Period	Comments
Housing Benefits 460572	SN	£6,369.16	15.02.2021 to 26.07.2021	
Summary	This invoice was raised on 13th September 2022. Claimant was on universal credit and disabled living allowance due health conditions and medical history.			

	Due to a backdated adjustment by the DWP they decided to cancel his universal credit for a limited period as they believed he was working. The claimant states he was not working and appealed. We have not been notified of any outcome of the appeal at present. Information from Rentstart confirmed that this claimant was vulnerable and evidence from bank statements shows that he borrows money throughout the month from friends and uses his benefits to make repayments. In addition, recovery is already being made to clear a tax credit overpayment with the DWP. Due the financial situation with no likelihood of recovering the debt and his vulnerability due to his medical ill health this debt is being recommended for write off.
Total Sundry Debt	£6,369.16

Type of Debt (reference no.)	Name and address	Amount £	Period	Comments
Housing Benefits 417619	SP	£7,417.47	28.11.2011 to 19.11.2012	
Summary	This invoice was raised on 16th January 2013. This claim was assessed based on the claimant's income support entitlement. We were notified by the DWP of a limited cancellation of his income support entitlement until he was transferred onto Employment Support Allowance. The overpayment was being recovered from his future benefit entitlement until we were informed in January 2024 that his Employment Support Allowance ceased. He subsequently vacated the property in May 2014. This case was not written off earlier due to periodically checking the claimant's circumstances to see if recovery could be reinstated. Since 2014, we have pursued the debt through various means including bailiffs; attachment to earnings when he was working and possible attachment to benefits.			

	However as there has been no contact with the claimant and the debt is over six years old it is now being recommended for write off.
Total Sundry Debt	£7,417.47

Type of Debt (reference no.)	Name and address	Amount £	Period	Comments
Housing Benefits 407043	EC	£6431.49	18.02.2013 to 23.09.2013	
Summary	These invoices were raised on 11th November 2013 and 11th April 2014. This claimant was assessed on Employment Support Allowance. This claim was due for review in 2013. However, we did not receive any response, so the claim was initially cancelled creating the first invoice in November 2013. After further investigation by our fraud department, it was proven that the claimant had vacated and moved to the USA from an earlier date and so subsequently a further overpayment was created in April 2014. We have continued to check to see if she has returned to the UK; but we have not been able to confirm this. Therefore, due to the age of the debt and still no contact this debt is being recommended for write off.			
Total Sundry Debt	£6,431.49			

Type of Debt (reference no.)	Name and address	Amount £	Period	Comments
Housing Benefits 359764	ES	£15,659.43	04.02.2002 to 04.08.2008	
Summary	The initial invoice was raised on 04th April 2006, and subsequent court costs invoice was raised on 04th August 2008. This claim was initially assessed as a single person in receipt of income support.			

	However, after an investigation by the DWP; the claim was cancelled as she was living with a partner as a couple. A County Court judgement was obtained to try and recover the debt and court costs were raised which were added to the account in August 2008. When a reapplication for benefit was made repayment was recovered from ongoing benefit until housing benefit ceased in 2015. After these other methods of recovery were pursued including bailiffs and potential attachment of earnings requests during periods of employment without success. However, due to the age of the debt and no success in recovery methods this debt is now being recommended for write off but pursued the debt for as long as possible due to the size of the debt.
Total Sundry Debt	£15,659.43



Committee Report Checklist

Please submit the completed checklists with your report. If final draft report does not include all the information/sign offs required, your item will be delayed until the next meeting cycle.

Stage 1

Report checklist – responsibility of report owner

ITEM	Yes / No	Date
Councillor engagement / input from Chair prior to briefing	N/A	
Relevant Group Head review	Yes	07/09/26
MAT+ review (to have been circulated at least 5 working days before Stage 2)	Yes	07/09/26
This item is on the Forward Plan for the relevant committee	Yes	
	Reviewed by	
Finance comments (circulate to Finance)	AB	10/09/26
Risk comments (circulate to Lee O'Neil)	LO	08/09/26
Legal comments (circulate to Legal team)	JC	07/09/26
HR comments (if applicable)	N/A	

For reports with material financial or legal implications the author should engage with the respective teams at the outset and receive input to their reports prior to asking for MO or s151 comments.

Do not forward to stage 2 unless all the above have been completed.

Stage 2

Report checklist – responsibility of report owner

ITEM	Completed by	Date rec'd
Monitoring Officer commentary – at least 5 working days before MAT	L. Heron	10/09/26
S151 Officer commentary – at least 5 working days before MAT	T. Collier	07/09/26
Commissioner engagement		
	L. Seary	No issues 10/09/26
Confirm final report cleared by MAT		

Corporate Policy and Resources Committee

12 October 2026

Title	Proposed ICT Server Procurement
Purpose of the report	To make a decision
Report Author	<i>Alistair Corkish, ICT Manager</i>
Ward(s) Affected	All wards
Exempt	Report – No Appendix 1 - Yes
Exemption Reason	Appendix 1 contains 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 Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information) and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because, disclosure to the public would prejudice the financial position of the authority.
Corporate Priority	Resilience
Recommendations	Committee is asked to: • Authorise the Council's ICT Manager to commence a procurement process for the purchase of new ICT servers for a maximum total contract value of £150,000; • Authorise the Group Head of Commissioning and Transformation to select the preferred supplier of new ICT servers and award a contract not exceeding the available budget; and • Authorise the Group Head of Corporate Governance to enter into the contract and necessary legal documentation to purchase the new servers
Reason for Recommendation	Our existing servers are past end of life. East/West Surrey have no plans to provide a centralised server infrastructure for the next 3 to 5 years, so we need to replace our estate.

1. Executive summary of the report

What is the situation	Why we want to do something
-----------------------	-----------------------------

• The intended life of our primary servers is 5 years • Our servers will be 6 years old in March 2027 • West/East Surrey have no plans to offer a centralised server infrastructure for the next 3 to 5 years • There is £176K provision remaining in our Capital Programme budget for 2026/27	• If there had been a planned centralised solution forthcoming from West Surrey in the next year or two, we could have considered extending support on the existing servers. As this is not going to be available, we need to obtain replacement servers.
This is what we want to do about it	These are the next steps
• Procure new servers • Sell existing servers	• Commence a procurement process to purchase new hardware

2. Key issues

- 2.1 The Council's applications run on a virtualised server estate using VMWare. The Council have 4 physical servers in our VMWare environment which run approximately 120 virtual servers. The physical servers are made up of 3 x Dell PowerEdge R6525 servers and 1 x Dell PowerEdge R7515 server.

These are connected to a Dell Powerstore for our storage with a capacity of over 70TB

- 2.2 The 3 x R6525 servers were purchased in March 2021. The R7515 server was purchased in March 2022. Servers are purchased with 5 years of support. The 3 x R6525 are already on extended support, which cost £1,200 per server for the first year, but would rise to over £1,900 per server for year 2 and would be expected to continue to rise significantly year on year as the servers age.

The Powerstore was purchased in Jan 2022 and will move to extended support in 2027.

- 2.3 It has been flagged in the ICT Service Plans from 2023/24 onwards that the servers would need replacing in 2026/27 and it has been raised with MAT members throughout this year that this would be an imminent requirement, but the Council deferred any action on it because we were awaiting some steer from the LGR theme before proceeding.

- 2.4 The question as to what to do about replacing end of life infrastructure hardware was raised with the LGR Technology and Data stream from its inception. They had been unable to provide an answer until last week. Whilst they weren't willing to be prescriptive, they were much clearer on what they thought each sovereign authority should be doing. They said they do not foresee any firm decisions about the future landscape for the East/West Surrey server infrastructure for the next 3 years and, even then, it could take a couple of years thereafter to implement. So, they advised that each sovereign authority should look to manage their own estate as if LGR wasn't happening for the next 3 – 5 years. Therefore, the Council cannot keep obtaining extended support on the servers for the next 3-5 years (and taking

the servers up to potentially 11 years old). Replacing them now would give the Council the maximum benefit from the new equipment before moving to whatever solution is proposed by East/West Surrey.

The Council can continue to use the existing Powerstore with extended support. The support will cost £14K per year from 2027 which can be found from existing revenue budget now that the VDI has been decommissioned and no longer needs licensing and support.

- 2.5 Due to the massive global investment in AI, the prices for memory have risen by between 500% and a 1000% since the Council last purchased servers. The 4 servers that require replacing cost a total of £40K in 2021/22. Early indicative prices for servers with similar specification show that the replacement costs would be substantially more due to the amount of RAM in them. However, the Council would be able to offset some of the cost by reselling the components from the old servers. Even though the servers themselves are end of life, the RAM in them still has a good value. The Council would hope to attain as much as £50K from the sale of the components from 6 of our servers. (The 4 mentioned above and 2 recently decommissioned servers that had been used for VDI). Officers have based this estimate on the retail prices of the refurbished servers with the same specifications which are £12K + VAT each. The Council would be selling to the retailers and would therefore expect less – hence the estimate of £50K for the 6. This resale would bring the overall cost to around £95K – which is well within the available £176K budget.

3. Options appraisal and proposal

- 3.1 **Option 1 Preferred option** Now that the Council has an indicative timeframe from the LGR Technology and Data group, the preferred option is to replace Spelthorne's existing host servers. This will give Spelthorne maximum reward by getting the benefit of new servers for the next 5 years, until we move to a centralised West Surrey infrastructure.

We currently have 4 servers with 1TB of RAM each. Given the price of RAM, we are looking to move to 4 new servers with 768GB of RAM each. Despite this drop, the new servers would have improved performance due to faster CPUs and more efficient RAM.

- 3.2 **Option 2** The Council could opt to go for extended support on the existing server estate but, if the LGR Technology and Data group are correct in their estimated timeframes, we will have to replace the servers at some point before moving across to a new infrastructure under East/West Surrey (or moving to a cloud solution). However, in the meantime the Council would continue to operate on aging servers which would deteriorate over time and face increasing support costs.
- 3.3 **Option 3** One alternative option is to migrate to Azure (Microsoft Cloud). Initial pricing for replicating our current estate in Azure is £249K. This is an annual cost. The Council would anticipate being able to get some government discounts if the Council went down this route, but it is not expected that the discounts would be sufficient enough to make it an economically viable solution.

- 3.4 **Option 4** A final solution is to look at a “cloud” provider – such as OVHCloud or Rackspace. This is essentially rental of a provider’s equipment in their datacentre. We have used their online pricing calculators to get indicative costs, and it is coming in at £162K per annum revenue charge. Again, the Council would expect to be able to get discounts, but not to the level where it would be affordable.
- 3.5 Options 3 and 4 above are for the servers and storage. As referenced in 2.2 and 2.4, the Council do not intend to replace our Powerstore storage. The Council are solely intending to extend support on this because we expect this to be able to operate until we move to a East/West Surrey alternative. However, even if the Council were to replace the Powerstore (at a cost of approx. £200K), options 3 and 4 would still remain significantly too expensive over a 5 year period.

4. Risk implications

- 4.1 The key risks of replacing the host servers in our VMWare estate are summarised below.

Assurance	Risk	Implications	Key mitigations / controls
Low	West Surrey brings forward plans to migrate	The Council would be unable to get the maximum benefit from the new hardware as it would become redundant sooner than its 5 year life expectancy	• Continue communication with the LGR Technology stream until the day of purchase to ensure there are no changes to their plans
High	The Council continues with extended support and opts not to replace the servers	The Council would run the risk of repeated failures and outages, as well as reduced performance, due to running the estate on outdated hardware. This risk would increase as the servers age.	• Choosing Option 1 above would eliminate this risk
High	VM Downtime during Live Migration (vMotion)	Network constraints or CPU incompatibility (e.g., mixing different generations) can cause vMotion to fail, dropping active workloads.	• Implement Enhanced vMotion Compatibility (EVC) modes. • Perform migrations during low-traffic windows. • Test a non-critical VM first.
Critical	Storage Connectivity Loss (SAN/NAS)	Misconfigured zoning, incorrect iSCSI paths, or driver mismatches on the new hosts can isolate VMs from their virtual disks and cause data corruption.	• Pre-stage and verify storage paths before moving VMs. • Ensure multipathing (NMP) is active. • Take full, tested backups of all VMs prior to cutover.
High	Network Configuration Discrepancies	Incorrect VLAN tagging or vSwitch naming differences on the new hosts will break VM network connectivity post-migration.	• Use VMware Distributed Switches (vDS) to maintain consistent network profiles across old and new hosts. • Standardize port group naming.

Medium	Hardware/Software Version Mismatches	The new server hardware or components (NICs, HBAs) may not be certified on the current vSphere/ESXi version, causing host crashes (PSOD).	• Strictly validate all hardware against the VMware Compatibility Guide (HCL). • Update firmware to vendor-recommended baselines.
Medium	License Compliance Violations	New hosts might have higher CPU core counts or different socket layouts that exceed the existing VMware or OS (Windows Server, Oracle) license entitlements.	• Review per-core and per-socket licensing limits before hardware procurement. • Procure upgraded license keys ahead of time.
Medium	Capacity and Resource Constraints	If the existing cluster cannot handle the temporary workload density while a host is taken offline, performance will degrade for remaining VMs.	• Calculate N+1 cluster capacity before starting. • Right-size VMs to reclaim wasted resources before moving them to the new estate.

5. Financial implications

5.1 See Appendix 1

6. Legal comments

6.1 The Council has a statutory duty to deliver best value under the Local Government Act 1999.

6.2 Any contract with a supplier must comply with the Council's Contract Standing Orders and all other applicable rules and regulations. Legal Services will assist in the preparation, negotiation and the formal completion of the proposed contract.

6.3 This committee's areas of responsibility include ICT and Digital Transformation (Part 3b of the Constitution).

Corporate implications

7. Commissioners' comments

7.1 No issues raised by Commissioners

8. S151 Officer comments

8.1 The S151 Officer confirms that all financial implications have been taken into account and that the recommendations are fully funded from within the current year's Capital Programme budget.

9. Monitoring Officer comments

- 9.1 The proposal in this report aligns with the Council's legal powers subject to compliance with the procurement regulations, governance requirements and the fiduciary duty to manage public funds responsibly.

10. Procurement comments

- 10.1 The Procurement Team will be consulted to assist with either accessing an appropriate Framework or with the carrying out of a compliant tender exercise all in accordance with the Procurement Act 2023 and the Council's Contract Standing Orders.
- 10.2 Approved by Procurement Board on 10/09/2026. Reference number: e2026112

11. Equality and Diversity

- 11.1 Equality and diversity implications have been assessed and there are no impacts associated with a server procurement.

12. Sustainability/Climate Change Implications

- 12.1 There are no anticipated environmental benefits from this project. Nor are there any anticipated environmental impacts, as the outgoing servers will be sold off for refurbishment.

13. Other considerations

- 13.1 N/A

14. Local Government Reorganisation Implications

- 14.1 The above project is being put forward as a result of the advice given by the LGR Technology and Data stream, who have advised that the new East and West Surrey authorities are not expected to have any infrastructure available to transfer to for the next 3 to 5 years

15. Timetable for implementation

- 15.1 The aim is to have the servers in place before the end of their extended support in March 2027

16. Contact

- 16.1 Chris Layte (Infrastructure Manager) / Alistair Corkish (ICT Manager)

Please submit any material questions to the Committee Chair and Officer Contact by two days in advance of the meeting.

Background papers: There are none.

Appendices: Appendix1 – Financial Implications

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

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Committee Report Checklist

Please submit the completed checklists with your report. If final draft report does not include all the information/sign offs required, your item will be delayed until the next meeting cycle.

Stage 1

Report checklist – responsibility of report owner

ITEM	Yes / No	Date
Councillor engagement / input from Chair prior to briefing		
Relevant Group Head review	Y	21/09/26
MAT+ review (to have been circulated at least 5 working days before Stage 2)		
This item is on the Forward Plan for the relevant committee	Y	
	Reviewed by	
Finance comments (circulate to Finance)		
Risk comments (circulate to Lee O'Neil)	LO	17/09/26
Legal comments (circulate to Legal team)	JC	30/09/26
HR comments (if applicable)		

For reports with material financial or legal implications the author should engage with the respective teams at the outset and receive input to their reports prior to asking for MO or s151 comments.

Do not forward to stage 2 unless all the above have been completed.

Stage 2

Report checklist – responsibility of report owner

ITEM	Completed by	Date rec'd
Monitoring Officer commentary – at least 5 working days before MAT	J.Clare	30/09/26
S151 Officer commentary – at least 5 working days before MAT	T.Collier	23/9/26
Commissioner engagement	L. O'Neil	22/09/26
	Delete as applicable:	Comments in S. 7
Confirm report signed off for publishing for MAT by relevant member of Management Team	Yes	
Confirm final report cleared by MAT	Yes	

Corporate Policy and Resources Committee

12 October 2026

Title	Governance Assurance update – EDI and Financial Management
Purpose of the report	To inform and assure
Report Author	Sandy Muirhead, Group Head Commissioning and Transformation Altin Bozhani, Interim Deputy Chief Finance Officer Lee O’Neil, Deputy Chief Executive
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	
Corporate Priority	Community Addressing Housing Need Resilience Environment Services
Recommendations	Committee is asked to: a. Note the current overall assurance level for the Governance Assurance Areas under the remit of the Corporate Policy and Resource Committee (Appendix A), which form part of the Council’s Governance Assurance Register. b. Consider the key areas of focus concerning the Governance Assurance Areas relating to: <i>Ensuring we meet our EDI duties and responsibilities (Appendix B).</i> And <i>Ensuring the Council’s financial management and long-term planning arrangements are effective to secure financial sustainability (Appendix C)</i>
Reason for Recommendation	To enable the Corporate Policy and Resources Committee to review progress with implementation of the Governance Assurance Framework and scrutinise performance for key governance areas relating to its remit.

1. Executive summary of the report (*expand detail in Key Issues section below*)

What is the situation	Why we want to do something
- The Council continues to implement and embed its Governance Assurance (GA) Framework as part of ongoing improvements to the way the authority manages risk. - The 12 Governance Assurance Areas (GAAs) which form the Council's Governance Assurance Register continue to be reviewed by the Audit Committee to provide assurance that effective arrangements are in place to manage key issues, concerns and areas of focus for the Council.	Under the GA Framework, Service Committees including the CPRC have an opportunity to consider and scrutinise the areas of focus, concerns and issues within their remit.
This is what we want to do about it	These are the next steps
To update the Corporate Policy and Resources Committee (CPRC) on two GAAs under its remit, relating to <i>Ensuring we meet our EDI duties and responsibilities</i> and <i>Ensuring the Council's financial management and long-term planning arrangements are effective to secure financial sustainability</i>	Address any questions and concerns from the Committee concerning delivery of GAA actions relating to those two governance areas

2. Key issues

- 2.1 The Council continues to embed changes to the way it manages risk as part of its Improvement and Recovery Plan, implementing the Governance Assurance Policy and Framework ('the Framework') previously agreed by the Corporate Policy and Resources Committee on 19 January 2026.
- 2.2 This approach focuses on the effectiveness of the Council's governance and control arrangements, ensuring that this authority can deliver its objectives and corporate and service responsibilities in a more positive way, and that stakeholders receive sufficient assurance that appropriate arrangements are in place.
- 2.3 The Council's Governance Assurance Register focuses on twelve key Governance Assurance Areas (GAAs). Nine of those areas come under the remit of the CPRC. These are outlined in **Appendix A** together with the

current overall level of assurance for each of those areas (shown as **low**, **medium** or **high**).

- 2.4 The Council's Governance Assurance Framework specifies how relevant Service Committees have a key role in considering and scrutinising the areas of focus, concerns and issues within their remit. In order to facilitate this process individual senior managers are invited to attend those Committees to discuss their assurance areas, specific matters and key risks in their services.
- 2.5 **Appendix B** provides an update on progress with implementing the actions relating to the GAA covering *Ensuring we meet our EDI duties and responsibilities*, which currently has an **overall assurance level** of **medium**.
- 2.6 **Appendix C** provides an update on progress with implementing the actions relating to GAA covering *Ensuring the Council's financial management and long-term planning arrangements are effective to secure financial sustainability*, which currently has an **overall assurance level** of **medium**.

3. Options appraisal and proposal

- 3.1 Committee is asked to:
 - (a) Note the current overall assurance level for the Governance Assurance Areas under the remit of the Corporate Policy and Resource Committee (**Appendix A**), which form part of the Council's Governance Assurance Register.
 - (b) Consider the key areas of focus, concerns and issues concerning the Governance Assurance Area relating to *Ensuring we meet our EDI duties and responsibilities* (**Appendix B**) and *Ensuring the Council's financial management and long-term planning arrangements are effective to secure financial sustainability* (**Appendix C**).

4. Governance and risk considerations

- 4.1 The Council's Governance Assurance Register outlines the authority's governance arrangements in place to provide assurance that key corporate and strategic risks impacting the authority are effectively managed. The change to a governance assurance approach through the Council's Governance Assurance Framework together with training and monitoring ensures that effective governance is embedded within the culture of the organisation.

5. Financial implications

- 5.1 The development and implementation of the new Governance Assurance Framework and the Governance Assurance Register can be delivered within existing resources. Any minor costs relating to ongoing staff training, development of supporting documentation, and updates to reporting systems will be met from current service budgets. Over time, strengthening the Council's governance assurance arrangements is expected to support more effective financial planning and help mitigate the likelihood of unanticipated financial pressures arising from weakness or failures in governance.

6. Legal comments

There are no legal implications arising directly from the recommendations in this report.

Corporate implications

7. Commissioners' comments

7.1 The Commissioners have no comments on this report.

8. S151 Officer comments

8.1 The S151 Officer confirms that there are no direct financial implications arising from the report itself. The Financial Arrangement Assurance update addresses financial issues. Good governance and risk management arrangements help underpin the delivery of value for money.

9. Monitoring Officer comments

9.1 Considered and functional Governance Assurance arrangements are essential for maintaining a strong framework for risk management and internal control.

9.2 This report supports the Committee in its scrutiny of these actions and seeks to provide assurance that the risks are being managed effectively and in accordance with the Council's statutory responsibilities

10. Procurement comments

10.1 There are no procurement implications arising directly from the recommendations in this report.

11. Equality and Diversity

11.1 The revised Governance Assurance Register incorporates a specific Governance Assurance Area specifying how the Council ensures the effective discharge of the Council's responsibilities and duties relating to Equality, Diversity and Inclusion.

12. Sustainability/Climate Change Implications

12.1 The revised Governance Assurance approach incorporates a specific Governance Assurance Area covering how the Council discharges its responsibilities with respect to its zero carbon targets and wider environmental responsibilities.

13. Other considerations

13.1 Under the Framework, the Audit Committee considers the effectiveness of the Council's arrangements in relation to risk management, governance and internal control, including overseeing the relevant policies and strategies, with a view to being assured that key governance areas are owned and managed appropriately. The Audit Committee are therefore receiving regular updates on the 12 Governance Assurance Area (GAA) reports that form the Council's Governance Assurance Register.

14. Local Government Reorganisation Implications

- 14.1 It is important that the Council continues to develop and implement its Governance Assurance arrangement to ensure that strategic and operational risks are managed effectively in the run up to vesting day for the new West Surrey Council.

15. Timetable for implementation

- 15.1 A further update for the Committee on relevant GAAs will be provided at the meeting on 30 November 2026.

16. Contact

- 16.1 Sandy Muirhead – Group Head Commissioning and Transformation
(s.muirhead@spelthorne.gov.uk)
- 16.2 Altin Bozhani – Interim Deputy Chief Finance Officer
(a.bozhani@spelthorne.gov.uk)
- 16.3 Lee O’Neil – Deputy Chief Executive (l.o’neil@spelthorne.gov.uk)

***Please submit any material questions to the Committee Chair and Officer
Contact by two days in advance of the meeting.***

Background papers:

Appendices:

Appendix A: Table outlining the overall assurance level for the 9 Governance Assurance Areas of the Council’s Governance Assurance Register under the remit of the CPRC.

Appendix B: Governance Assurance update for CPRC relating to *Ensuring we meet our EDI duties and responsibilities*

Appendix C: Governance Assurance update for CPRC relating to *Ensuring the Council’s financial management and long-term planning arrangements are effective to secure financial sustainability*

Appendix A - Table outlining the overall assurance level for the 9 Governance Assurance Areas of the Council's Governance Assurance Register under the remit of the CPRC.

	Governance Assurance Area	Assurance Level (as reported to Audit Cttee.)			
		19/05/26	23/06/26	23/07/26	24/09/26
1	Ensuring the Council has robust mechanisms in place to prepare for, respond to and recover from civil emergencies and business interruptions	H	H	H	H
2	Ensuring and maintaining our Organisational Resilience	M	M	M	M
3	Ensuring we meet our Equality, Diversity and Inclusion (EDI) duties and responsibilities	M	M	M	M
4	Ensuring our programme and change management arrangements are effective to support the successful transition to the new unitary council.	H	M	M	M
5	Ensuring the Council's financial management and long-term planning arrangements are effective to secure financial sustainability	M	M	M	M
6	Ensuring there are effective governance arrangements in place to deliver the IRP	M	M	M	M
7	Ensuring effective Procurement and Contract Management arrangements	M	M	M	M
8	Ensuring our arrangements against the threat of fraud and maintaining assurance that our anti-fraud arrangements are robust and effective	M	M	M	M
9	Ensuring our arrangements for Cyber Resilience and managing the threat of a cyber-attack are effective.	M	M	M	M

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Appendix B – ‘Ensuring we meet our EDI duties and responsibilities’ – Governance Assurance Area update for CPRC 12 October

ASSURANCE AREA					
Ensuring we meet our EDI duties and responsibilities					
ASSURANCE DESCRIPTION					
We have a duty to adhere to the Equality Act (2010). It is a priority for the Council to ensure we have workplace practices, and deliver services, that meet the required and expected standards to promote equal opportunities, diversity and inclusivity. We will seek to ensure we uphold and demonstrate our commitment to equality, diversity and inclusivity. We therefore need to ensure we allocate the necessary resources and harness the required skills and expertise to develop, promote and support implementation of our Equality and Diversity Policy.					
ASSURANCE ASSESSMENT					
Although the Council meets necessary tasks on EDI, due to resourcing issues it has lagged in being developed and taken forward proactively. An Inclusivity Group operate on an informal basis but we are now focusing on ensuring the strategy and objectives of that strategy will be met.					
ASSURANCE OWNER	Sandy Muirhead	FOCUS/ISSUE/CONCERN	Focus	LEVEL OF ASSURANCE (High/Medium/Low)	Medium

	Assurance Action	Action Owner	Current RAG status	Performance Update	Next steps (including completion / review date)
1	Training and awareness Ensure the Council develops and provides appropriate training and awareness for both officers and members.	Emily Clayton- HR Business Partner		Mandatory Training is undertaken via our Workrite system by staff on an annual basis and as of September 2026 69.9% of staff have completed the training. Elected members receive some training on being elected but consideration is being given to further member training.	To seek further training for key staff Review date: December 2026
2	EDI impact assessments Ensure the Council has an appropriate process in place to undertake timely EDI impact assessments	Leigh Street- Project Officer		EDI impact assessments are undertaken on relevant projects and strategies. A system has been set up via the Project Dashboard for a central log of assessments which can be reviewed regularly.	Development of central log completed. Review date: January 2027
3	EDI champions/EDI network Ensure the Council has effective arrangements in place to identify and support EDI champions/EDI network.	Debbie O'Sullivan- Human Resources Manager		The inclusivity working group has continued to look at greater integration and implementation of EDI and we are looking to strengthen this grouping in line with West Surrey requirements. Given current LGR and IRP workloads likely to be difficult to resource this group more effectively given staffing constraints	Issues of time management due to staff roles and resourcing ongoing and unlikely LGR to be resolved before March 2027 Review date: March 2027
4	Oversight of the E&D Policy/ED&I Strategy Ensuring the arrangements for the oversight of the E&D Policy/ED&I Strategy are in place and effective.	Sandy Muirhead- Group Head Commissioning and Transformation		An EDI strategy was agreed by CPRC (April 2026) and EDI considerations are a necessary part of all Committee reports and projects. However, resourcing effective checking on activities is	Appropriate reporting on workforce and gender pay gap will be undertaken on an annual basis - so that is covered but extra activities will be limited. West Surrey is developing EDI policies for the shadow authority.

	Assurance Action	Action Owner	Current RAG status	Performance Update	Next steps (including completion / review date)
				extremely limited and therefore there is a risk on full delivery.	Review date: March 2027
5	Procurement strategy/standard contract terms Ensure the Council has the appropriate arrangements in place in the Procurement strategy and standard contract terms to ensure contractors understand and comply with the Council EDI responsibilities.	Linda Heron- Legal Services Manager		Working with Runnymede, who have embedded sustainability/EDI within their procurement routes, will ensure EDI is addressed within Spelthorne's procurements.	To ensure the new procurements via Runnymede team includes consideration of EDI. Review date: December 2026
6	Equal pay/gender pay gap statistics and performance Ensure the Council has, and uses, statistics and performance data to understand any equal pay/gender pay gap issues.	Debbie O'Sullivan- Human Resources Manager		Statistics collected annual and included in workforce data.	Review date: March 2027
7	KPIs in place and used and reported Ensure the Council has identified appropriate KPIs for assessing the EDI compliance and performance and that there are effective mechanisms for reporting	Sandy Muirhead- Group Head Commissioning and Transformation		An EDI strategy has been developed and agreed by Committee.	Targeted KPIs will be put in place including gender workplace reporting, % completion of EDI mandatory training Review date: March 2027

Related Improvement and Recovery Plan Theme High Priority Outcomes:

Not applicable

Corporate KPIs					
	KPI description	Frequency	Target	Corporate priority	Progress update
	Gender pay gap	Annual	Comparative	Services	Produced annually at end of year.
	% completion of EDI mandatory training	Quarterly	70%	Services	Slightly below this figure currently and staff reminded of need to undertake Workrite training

APPENDIX C - CPRC GOVERNANCE AREA REPORT – FINANCIAL MANAGEMENT OCTOBER 12th 2026

ASSURANCE AREA					
Ensuring the Council's financial management and long-term planning arrangements are effective to secure financial sustainability					
ASSURANCE DESCRIPTION					
Maintaining control and accountability of the Council's finances is one of our fundamental responsibilities, As such we need to have in place an effective and efficient financial management framework that enables us to manage our financial resources to meet our corporate objectives. The Council is under extreme pressure to demonstrate how it can manage its budget and ensure financial sustainability moving forward and pass that sustainable position on to West Surrey. It faces a particularly significant financial risk with respect to the need to realise significant capital receipts in 2026/27 in order to reduce the Minimum Revenue Provision charge to Revenue in 2027/28.					
ASSURANCE ASSESSMENT					
Maintaining control and accountability of the Council's finances is one of our fundamental responsibilities, As such we need to have in place an effective and efficient financial management framework that enables us to manage our financial resources to meet our corporate objectives. The Council is under extreme pressure to demonstrate how it can manage its budget and ensure financial sustainability moving forward. Irrespective of the actual financial resources the Council has, we need to have a sound financial management framework in place. We also have a responsibility to demonstrate to incoming West Surrey that we are passing on a sustainable financial position. Council set a balanced Budget for 2026-27 and a Capital Programme for 2026-27 without need for any additional Borrowing. Updated Medium-Term Financial Strategy (MTFS) and Reserves Strategy indicates there will still be reserves balances at end of 2028-29. However, this is dependent on the Council achieving investment asset sales in 2026/27 in line with the levels assumed in the MTFS. We know due to one sale not completing in 2025/26 MRP for 2026/27 will be £5m higher than the Budget anticipated, before then dropping away if that asset is sold in 2026/27.					
ASSURANCE OWNER	Altin Bozhani	FOCUS/ISSUE/CONCERN	Focus	LEVEL OF ASSURANCE (High/Medium/Low)	Medium

	Assurance Action	Action Owner	Current RAG status	Performance Update	Next steps (including completion/review date)
1	Ensure that the Council has appropriate financial procedures and policies in place. Reviewed annually.	Altin Bozhani - Interim Deputy Chief Finance Officer	Amber	Review and any required amendments progressing as part of 2025-26 year-end processes.	The process will be completed once external and internal audit complete their review and feedback findings. Review date 30.09.26. Any further work will be linked to West Surrey LGR process.
2	Review the Council's Financial Regulations (FRs) to ensure they are fit for purpose, reflect good practice and are complied with.	Altin Bozhani	Amber	Financial Regulations updated and approved in April 2026 to reflect amendments relating to sales ledger parameters, arising from an Internal Audit.	Any further work on review of FRs to be fed into process for development of new FRs for West Surrey Council as part of LGR process. Progress review date 30.09.26.
3	Ensure that the Council prepares and maintains a robust MTFS, and protects the medium-term financial sustainability of both itself and that of West Surrey Council.	Altin Bozhani	Amber	Updated MTFS approved by CPRC (November) and Council (December) as part of Improvement and Recovery Plan (IRP) workstream. Balanced budget approved by Council (26 Feb) without need for exceptional financial support. Projections indicate that reserves will not be exhausted by 31/3/28. Provisional Outturn report for 2026/27 identified that £5m less	IRP Board will continue to oversee asset rationalisation plan through Commercial theme. Review date 21.09.26

				reserves were required to balance 2025/26 outturn than projected when the MTFS was updated. However, following Collection Fund adjustments, usage of reserves will increase by £1.9m for 2025-26 outturn compared to original outturn. £5m more reserves will be required to be used in 26/27 to offset the impact of higher Minimum Revenue Provision (MRP) as a result of the slippage of sale of an investment site in Sunbury. Key reason MTFS is amber is the dependency on achieving £170m (£15m slippage from 2025/26 plus £155m 2026/27 target) capital receipts in 2026/27 in order to bring Capital Financing Requirement and MRP down in line with projections for 2027/18 for West Surrey Council. Additionally, we are reviewing the impact on use of reserves which is becoming increasingly challenging. We also need to assess implications and options for West Surrey with respect to BP site.	
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4	Review the Council's budget setting guidance and process to ensure it is effective.	Altin Bozhani	Green	Budget setting guidance issued for 2026-27. Budget set for 2026-27 at Council (Feb 2026).	The budget setting process for West Surrey is underway. The current guidance will be reviewed in line of findings from other LAs as part of the process.
5	Ensure that the Council has appropriate budget monitoring guidance in place.	Altin Bozhani	Amber	Guidance provided via the training programme delivered. A video covering the system and the forecast approach was produced. Work still to be done on updating current guidance on the light of LGR requirements as well.	More work to be done to improve the monitoring cycle, clarity of reports. To work with members of Financial Reporting Group. Review date 30.09.26.
6	Review the Council's capital strategy and programme to ensure it is fit for purpose and affordable.	Peter Worth-Interim part time Treasury Management Accountant	Green	Capital Programme and Strategy approved by Council (26 Feb) for 2026-27. Approved without the need for any additional borrowing.	Capital Spend will be reported on in the quarterly monitoring reports going to CPRC.
7	Ensure that arrangements are in place to secure effective Member scrutiny of the Council's financial policies and procedures.	Altin Bozhani	Green	Progress has been made. Improvements still being embedded to ensure they become business as usual. New process encapsulates online monitoring. Reports streamlined.	Monitoring timetable has been agreed and implemented as part of Month 2 forecast cycle.
8	Ensure there is comprehensive training provided and undertaken by all budget holders and that they meet the requirements of the financial competency framework.	Altin Bozhani	Amber	Process, system, culture change and training have been provided for finance and budget holders. It was completed during May 2026 and implemented in practice for Month 2 forecast cycle.	Allow time for this to become embedded and evaluate the impact of that training. Review date 30.09.26. Training programme for Councillors to be identified and rolled out. A

					training session on local government finance for councillors was provided on 23 rd September. Target completion date 30.09.26.
9	Ensure that the Finance Team has sufficient capacity and expertise to support effective financial management.	Terry Collier- Deputy Chief Executive	Amber	Significant work undertaken to improve capacity. Additional team members with significant experience and skills recruited included part time collection fund accountancy consultant, TM accountant, closing accountants, new DCFO. Finance team structure reviewed and restructured in November 2025. A really productive team away day took place in May. One member left the team and an internal recruitment process was undertaken to fill the post with a recruitment from another service area.	Continuously refresh the skills of the team. Review date 30.09.26.
10	Undertake regular reviews of the Council's financial management arrangements to ensure they align with CIPFAs FM Code.	Altin Bozhani	Amber	Plans in place to undertake assessment as part of the 25/26 accounts closing process.	Proposal to Improvement and Recovery Board to drop this action, given close proximity to Vesting Day that undertaking the review would not be a worthwhile use of resources and would deliver from key priority

					deliverables. So will not be undertaken.
11	Progress improving the robustness of the statement of accounts and move to position where external audit are able to issue a positive (non-disclaimer opinion).	Altin Bozhani	Amber	Plans in place to undertake assessment as part of the 25/26 accounts closing process. Draft Outturn report approved by CPRC May 26th.	Being managed through close of accounts plan. Review date 30.09.26.

Related Improvement and Recovery Plan Theme High Priority Outcomes:

Theme 2: Improving Financial Sustainability

2.1 To produce an update on the MTFS (Medium Term Financial Strategy) position for the period FY27/28 to FY29/30 to be approved by the Council by the end of December 2026. The update will reflect the latest forecast financial position at the time of being developed.

2.2 Develop and agree a savings plan for the current financial year (FY26/27) and then deliver the plan to achieve a minimum of £1m of in-year, recurring annual savings (rather than one-off savings) this financial year.

2.3 Identify savings options for the financial year (FY27/28) to feed into West Surrey a.

2.4 Produce final accounts for the last financial year (FY25/26) that when audited will address the 5 key recommendations highlighted by the External Auditors follow a review of the FY24/25 annual accounts.

2.5 Develop and agree a plan with the West Surrey Section 151 Officer (once appointed) to produce the accounts for the current financial year (FY26/27).

Corporate KPIs

	KPI description	Frequency	Target	Corporate priority	Progress update
F5	% of saving target achieved	Quarterly	20% of outstanding running savings project (£1.798m)	Resilience	Validation of in-year savings still in progress.
F2	Finance - monthly reports Ensure all reports are issued to Group Heads, MAT & Committee Services within the agreed timetable.	Monthly	Within agreed timeline		Outturn Report met all required deadlines. Month 2 Reports met all deadlines.
F3	Finance – whole team – Draft Statement of Accounts Publish the annual draft unaudited Statement of Accounts by the statutory deadline of 30th June.	Annually	30th June		Delayed (see note below) *
F4	Finance - whole team - statutory returns Ensure that all statutory returns are completed and ready for review by the Chief Accountant or S151 Officer at least 5 working days before the deadline.	Monthly	5 working days before the deadline		The team has a register of all statutory returns which are monitored on a weekly basis
F6	Treasury Management – Ensure that SBC borrowings do not exceed the authorised limits and operational boundary	Daily	100%	Resilience	Ongoing and achieved daily

* Draft Statement of Accounts: The delay was due to several corrections attributable to prior year adjustments in Collection Fund we found, which created disbalances in our statements. Those had an impact on entire Statement of Accounts. We brought in external expertise to assist in identifying and correcting the issues. The draft Statement was published on 4th September.

Unfortunately, certain errors and corrections come to light only when we do detail and time-consuming work at year end and that is because of sheer number of transactions and treatment we have in our finance system, including last minute information that comes through from external partners, like group accounts. Given the issues we faced last year and the audit recommendations we have been very prudent to make sure every corner is turned and reviewed. The review has helped us to plan further improvements going forward so we do not face the same situation. Such improvements include:

- Doing soft close during the year, like month 6 on some areas.
- A complete soft close in December 2026 or January 2027.

The above will allow us to deal with issues much earlier in time and with due diligence.

It is important to emphasise that judging by the number of recommendations and the feedback from external and internal auditors the Council has been on a very noticeable improvement journey and some processes take a bit longer to yield results as they depend on several factors.



Committee Report Checklist

Please submit the completed checklists with your report. If final draft report does not include all the information/sign offs required, your item will be delayed until the next meeting cycle.

Stage 1

Report checklist – responsibility of report owner

ITEM	Yes / No	Date
Councillor engagement / input from Chair prior to briefing	Yes	
Relevant Group Head review	Yes	16/09
MAT+ review (to have been circulated at least 5 working days before Stage 2)		
This item is on the Forward Plan for the relevant committee	Yes	9/9/2026
	Reviewed by	
Finance comments (circulate to Finance)		
Risk comments (circulate to Lee O'Neil)	LO	11/09/26
Legal comments (circulate to legal@spelthorne.gov.uk)	JC	11/09/26
HR comments (if applicable)		

For reports with material financial or legal implications the author should engage with the respective teams at the outset and receive input to their reports prior to asking for MO or s151 comments.

Do not forward to stage 2 unless all the above have been completed.

Stage 2

Report checklist – responsibility of report owner

ITEM	Completed by	Date rec'd
Monitoring Officer commentary – at least 5 working days before MAT	L Heron	10/09/26
S151 Officer commentary – at least 5 working days before MAT	T. Collier	10/09/26
Commissioner engagement	LS	16/09/26
	Delete as applicable:	No issues (for review 21/9/26)
Confirm final report cleared by MAT		22/9/2026

Corporate Policy and Resources Committee

Monday 12th October 2026

Title	Annual Commercial Property Report for Financial Year 2025/26
Purpose of the report	To make a decision.
Report Author	Katherine McIlroy – Asset Manager
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	
Corporate Priority	Resilience
Recommendations	Committee is asked to: • approve the Annual Commercial Property Report for the year ending 31 March 2026 and; • to publish the Annual Commercial Property Report attached as Appendix A on the Council's website.
Reason for Recommendation	The Annual Commercial Property Report provides an overview of the performance of the investment portfolio assets as at the end of the financial year 31 March 2026. The report ensures that there is full transparency around the portfolio and its performance.

1. Executive summary of the report

What is the situation	Why we want to do something
• The Annual Commercial Property Report (attached as Appendix A) provides an overview of the performance of the investment properties as at the end of the financial year 2025/26.	• To ensure that there is full transparency around the portfolio and its performance.
This is what we want to do about it	These are the next steps
• For the report to be published on the Council's website.	• To publish the report on the Council's website.

2. Key issues

- 2.1 The Annual Commercial Property Report (attached as Appendix A) is produced by the Asset Service. It includes an analysis of the investment property portfolio as at 31 March 2026 and highlights the key asset management initiatives delivered over the financial year 1st April 2025 to 31 March 2026.
- 2.2 The report is factual and looks back over the past financial year. The objective of the report is to inform Members of the annual valuation of the investment properties, the financial performance of the portfolio and the asset management activity undertaken by the Asset Service. The performance of the portfolio is set out in the context of the wider South East office and retail markets. During the financial year as a result of Statutory Directions issued by the Secretary of State for Housing, Communities and Local Government (MHCLG) in May 2025, the property strategy changed to a focus on debt reduction and asset rationalisation. It is important to note that the Directions supersede the Asset Management Strategy and Asset Management Plan 2024/25-2028/9 which had set the objectives and key performance indicators for the portfolio at the start of the financial year and which the Annual Commercial Property Report is intended to review.
- 2.3 Due to the current asset rationalisation programme the report (attached as Appendix A) has been carefully reviewed to ensure that it does not include confidential information which may unfairly prejudice the Council's ability to achieve best consideration from the sale of the investment properties nor release confidential information concerning the Council's tenants. The report attached as Appendix A is recommended to be published on the Council's website. It should be noted that the valuation of the portfolio in March 2026 should not be regarded as the disposal value of the portfolio.
- 2.4 The report is due to be considered by the Commercial Assets Sub-Committee on Monday 5th October 2026 and any amendments or comments will be verbally communicated in the Committee meeting.

3. Options appraisal and proposal

- 3.1 We consider the report to be an accurate and transparent review of the performance of the investment property assets during the financial year 2025/26.
- 3.2 **Option A** – There is no such requirement for the Council to produce such a report or to make it public. As such there is the option to do nothing and not report on performance.
- 3.3 **Option B** – Approve the report (subject to any required amendments) and publish the report on the Council's website. It is felt that due to the size, nature and intense scrutiny that surrounds the Council's investment portfolio that it is not a realistic option to withhold information. We recognise the need to be open and transparent in reporting about the portfolio and how it is performing. The report provides an easy reference point for members of the public, press and the frequent FOI requests that we receive. It is also important in providing a summary of the investment portfolio for audit purposes, both internal and external.

Option B is the Council's recommended option.

4. Risk implications

- 4.1 There is significant risk of not achieving best value in the sale of the properties if information regarding values, rents and strategy is made publicly available. The Asset Service has considered the report attached as Appendix A and is satisfied that the contents do not pose a risk to the Council.
- 4.2 Risk management is embedded in the work that the property team undertake. The Council's approach to risk and how it is managed is included in the Asset Management Strategy 2023/24 - 2027/28 together with the risk register. The property team works with a number of external consultants in their field of expertise whether it be letting agents, valuers or building surveyors to ensure the best outcome for the Council. The Council also closely monitors the financial position of all our tenants and guarantors using the Dun and Bradstreet.

5. Financial implications

- 5.1 The report clearly sets out the valuation, income, expenditure and net financial position of the investment properties.

6. Legal comments

By publishing an overview of the performance of the investment property portfolio, the Council provides transparency and assurance that the portfolio is pro-actively managed to achieve cash flow security and effective debt management.

Corporate implications

7. Commissioners' comments

- 7.1 The report accurately captures the historic operational and financial performance of the Council's commercial property portfolio. The valuation data and overall financial performance of the portfolio is an appropriate reminder of the need to continue with the disposal strategy set out in the Improvement and Recovery Plan.

8. S151 Officer comments

- 8.1 The S151 Officer confirms that all financial implications have been taken into account. Whilst there are no direct implications arising from the report, the investment assets have a very significant financial impact on the short and medium term financial position of the Council. It is therefore appropriate that there is transparency in review of the performance of the portfolio.

9. Monitoring Officer comments

- 9.1 This report supports transparency by providing an overview of the investment property portfolio performance for scrutiny by the elected members and the public.

10. Procurement comments

- 10.1 There are no procurement implications in this report.

11. Equality and Diversity

- 11.1 Not applicable

12. Sustainability/Climate Change Implications

Not applicable.

13. Other considerations

- 13.1 None considered.

14. Local Government Reorganisation Implications

- 14.1 The Statutory Directions from the Secretary of State concerning debt reduction and asset rationalisation implicitly consider Local Government Reorganisation in Surrey.

15. Timetable for implementation

- 15.1 If approved it will be uploaded to the Council's website.

16. Contact

- 16.1 Katherine McIlroy MRICS – Asset Manager (k.mcilroy@spelthorne.gov.uk)

***Please submit any material questions to the Committee Chair and Officer
Contact by two days in advance of the meeting.***

Background papers: There are none.

Appendices:

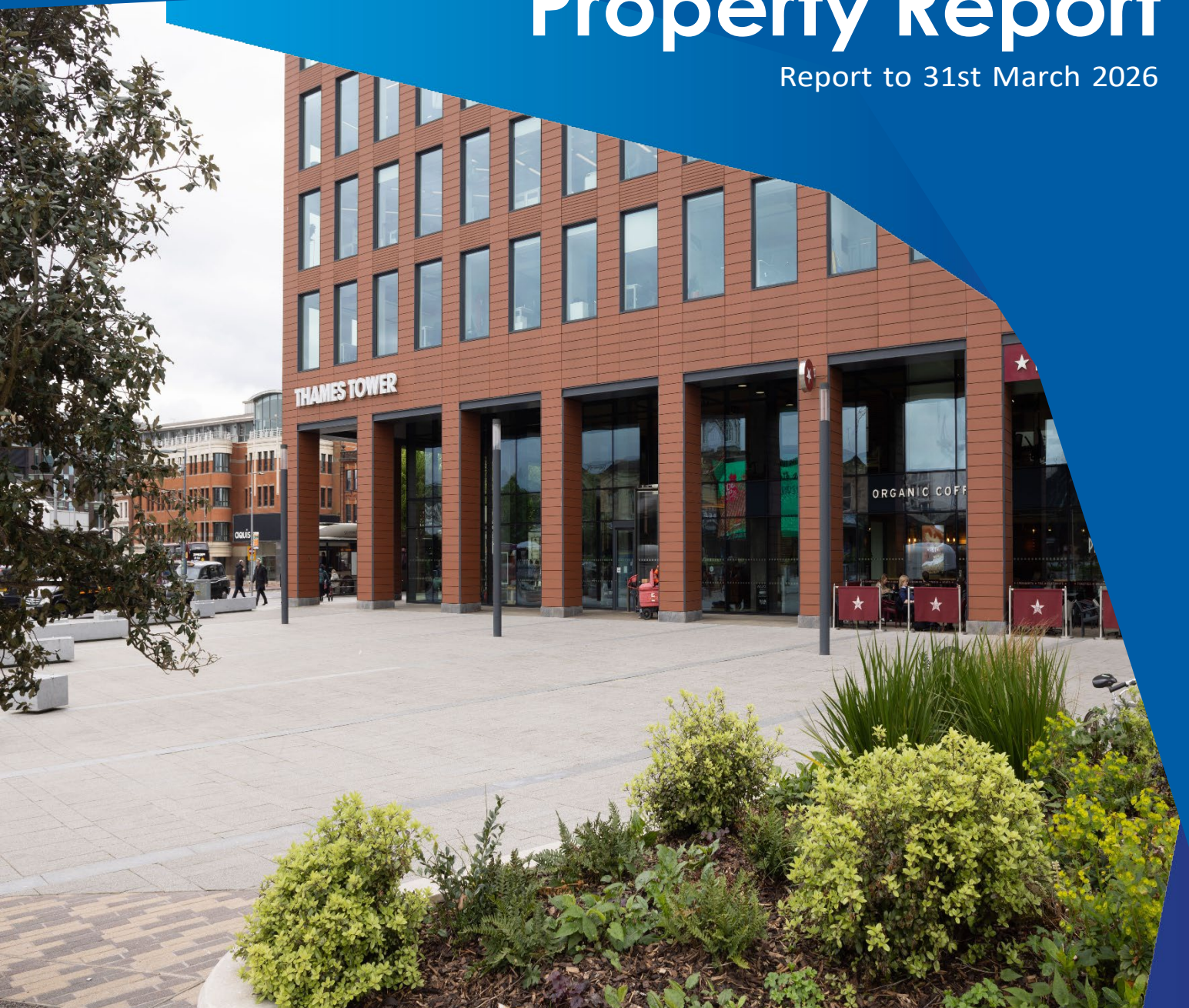
Appendix A – Annual Commercial Property Report (Public)

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Spelthorne Borough Council Property Fund

Annual Commercial Property Report

Report to 31st March 2026



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1 Introduction

The Annual Commercial Property report is produced by the Assets Service on behalf of Spelthorne Borough Council. It includes an analysis of the commercial property portfolio owned by the Council as at 31st March 2026 and highlights the key asset management initiatives delivered over the last 12 months. The Annual Commercial Property Report is part of a suite of documents that support the Asset Management Strategy.

The commercial portfolio is wholly owned by Spelthorne Borough Council. The Council acquired the commercial properties using borrowing from the Public Works Loans Board (PWLb), a statutory lending facility operated by the HM Treasury during the period 2016 to 2018. The primary objective of the acquisition programme was to generate income to support the delivery of front-line services in response to Government grant funding being removed. As at 31 March 2026 the Council owned 12 investment properties and the contracted rental income¹ per annum was £42.77 million.

On 8 May 2025 the Secretary of State for Housing, Communities and Local Government (MHCLG) issued Directions under the Local Government Act 1999 appointing Commissioners to address governance and financial sustainability issues highlighted in the 'Best Value' Inspection Report published on 17 March 2025. In particular, the Directions highlighted the need to reduce the Council's exceptionally high level of external borrowing. In response to central government intervention, the Council adopted an Improvement and Recovery Plan (approved in February 2026), the key initiatives included debt re-structuring and an asset rationalisation programme.

The Statutory Directions prescribed the activity of the Asset Management Team for the majority of the financial year following the appointment of Commissioners in May 2025. The Council's borrowing portfolio was re-financed in November 2025 to reduce borrowing in line with the Statutory Direction. In addition, the Council's minimum revenue provision policy for setting aside money to repay debt was revised comprehensively in November 2025 bringing the Council in line with statutory guidance and ensuring a robust approach to repaying borrowing. The debt rescheduling exercise reduced total outstanding debt by £342m - which is roughly a third. An asset rationalisation programme was instigated, with Knight Frank appointed to advise on a carefully managed programme of asset sales to generate capital receipts which will be used to further reduce debt. Meanwhile, the portfolio continued to be managed in accordance with the asset investment strategy and business plans to protect value and minimise expenditure.

In conjunction with the statutory intervention, local government re-organisation progressed at pace with the Secretary of State announcing the decision to implement two unitary authorities for Surrey in October 2025. In March 2026 the Surrey (Structural Changes) Order 2026 came into force establishing West Surrey unitary authority from 1 April 2027.

¹ Contracted rent is the legally binding rental income specified within an executed lease document.

1 Introduction - continued

The timeframe has implications for the asset disposal programme with the net proceeds of the sales reducing the overall debt to be transferred to the new unitary authority. The properties still held by the Council on 1 April 2027 will be transferred and managed by West Surrey. The Asset Management Team has been engaging in collaborative work along with other Surrey councils and will be sharing data on our commercial assets in preparation for vesting day.

Commercial Portfolio Key Facts (at 31/3/2026)

Net Asset Value (31 March 2026)	£525.78 million
Number of Property Holdings	12
Average Lot Size	£43.81 million
Contracted Rent per annum	£42.77 million
Estimated Rental Value per annum	£51.86 million

*Contracted rent valued by Knight Frank under RICS regulations at the valuation date. This excludes for example Tenants in rent free

**The rent that a property could achieve in the open market at the valuation date.

2 Property Valuation

The investment portfolio is independently valued annually at the 31st March to comply with the Council's accounting obligations. Knight Frank LLP undertook the annual valuation for the year ending 31st March 2026 as part of their five year contract appointment.

At the 31st March 2026 Knight Frank LLP valued the portfolio at £525.78 million. The commercial portfolio is valued on a market value basis in accordance with the RICS Professional and Global Valuation Standards.

Overall, the portfolio decreased in value over the 12 months to 31st March 2026 by £91.375 million or 14.81%. Since the portfolio was originally acquired, overall, the assets have decreased in value by £550.918m or 51.1%.

3 Property Market Review

3.1 South East Offices

There were a number of key economic and structural factors driving the occupational market over the last 12 months namely an accelerated 'flight to quality', a shortage of super prime stock, stabilised hybrid working patterns and an increase in occupiers operating costs.

Occupier demand was relatively weak across the South East during 2025. Letting activity measured by the amount of floor space let was lower than 2024 and below the 5 and 10 year long term average². Whilst take up was modest, it was focused on the best-in-class buildings with high quality amenities and strong ESG credentials. Over the last 3 years 85% of all office take-up was Grade A and in 2025 this had increased to 91.5% of all lettings³. The flight to quality is an enduring trend with corporate occupiers only prepared to move for the very best office space. This impacts landlords who need to invest substantial capital to ensure that their property meets occupiers expectations including energy efficiency ratings of EPC A/B.

The Grade A market is now polarised with 'super prime' comprising of newly built or substantially refurbished Grade A properties which are outperforming older Grade A stock. The availability of new stock particularly to accommodate requirements in excess of 50,000 sq.ft is severely limited across the South-East and the development pipeline is constrained. Development activity has not recovered from the slowdown that began in 2020 and new office development is concentrated in Cambridge and West London⁴ with very little in the pipeline along the Thames Valley.

The shortage of new supply is placing upward pressure on rental levels in some key towns in the Thames Valley including Reading, Windsor and Maidenhead. Headline rents have been achieved in Reading (£56 per sq.ft) and Maidenhead (£60 per sq.ft) on the new schemes delivered in 2025 and 2026. Rental growth is filtering down to older Grade A buildings such as Thames Tower where we have seen rental growth over the last two years. A new headline rent of £60 per sq.ft was set at Tempo, a newly completed scheme in Maidenhead in Q1 2026.

The flight to quality has polarised the office market; Grade A supply has been falling due to limited speculative development leaving the older properties in lesser regarded towns lingering on the market.

The average South East vacancy rate across all towns stabilised during 2025 as hybrid working is now the norm and whilst occupier-release space is still entering the market it is at a much slower pace. At the end of March 2026 Colliers reported that all grade vacancy in the South East was 12.5%, representing an 18 months low⁵.

The supply of secondary office space remains elevated in a number of town centres including Reading, Maidenhead, Windsor/Marlow and Stockley Park. Contrary to the downward trend West London including Ealing, Hammersmith and White City all saw an increase in vacant space at the beginning of 2026.

The Council had an occupational vacancy rate of 7.7% across the portfolio in the office buildings located in Reading, Uxbridge, Slough and Staines. As the year progressed it was noticeable that the level of new enquiries and viewings for the vacant space declined.

² Hollis Hockley South-East Office Market Overview 2025

³ Hollis Hockley South-East Office Market Overview 2025

⁴ Knight Frank, South East and Greater London Offices Q1 2026

⁵ Colliers, 'South East Office Snapshot' April 2026

3 Property Market Review - continued

The rise in occupational costs from business rates and service charges together with high costs to fit-out space had reduced businesses appetite for signing leases and taking on new space. The lack of confidence in the wider economy and narrowed corporate profit margins resulted in many businesses looking to renew short term. This was evident at Thames Tower in Reading where we completed a number of lease renewals and 12 Hammersmith Grove where the Council were in lease renewal negotiations.

The office investment market in the South East saw less activity in 2025 compared with 2024 with £1.26 billion traded which was a reduction of 14% year on year⁶. Both sales volumes and deal size reduced, with investors focusing on smaller lots sizes. According to Knight Frank the average office deal size at March 2026 was £9.5 million⁷. Uncertainty around the Autumn 2025 budget and geopolitical uncertainties affected investors' appetite for risk which resulted in a cautious approach to investing. As a result investors were prioritising prime, ESG compliant assets in locations with resilient occupier demand. Private UK investors and property companies accounted for the largest share of acquisitions in the South East who were typically looking for value-add, multi-let assets in established markets. Overseas investors typically French, Middle Eastern or Israeli capital were focused on well-let properties to strong covenants. Opportunistic private buyers at the smaller end of the market were active seeking discounted or repositioning opportunities and distressed sellers. The key sellers continued to be UK institutions and Receivers/Administrators off-loading non-core, secondary assets with high vacancy or in need of significant capital expenditure to comply with future energy performance regulations.

3.2 Retail and Shopping Centre Market

Retail property performance to March 2026 was supported by a gradually improving economic backdrop, despite continued geopolitical uncertainty and higher operating costs for businesses. Inflation eased during the period, allowing the Bank of England to begin reducing interest rates, while real wage growth remained positive, supporting household spending.

Nevertheless, retailers continued to face cost pressures from increases in employer National Insurance contributions and the National Living Wage introduced in April 2025, together with ongoing global supply chain risks arising from conflicts in Ukraine and the Middle East. These factors resulted in cautious but improving consumer and investor confidence.

Retail trading performance improved over the period. Knight Frank reported retail sales values (excluding fuel) increasing by 4.1% year-on-year in March 2026 while sales volumes increased by 1.7% year-on-year. Over the first quarter of 2026 as a whole, retail sales values were 5.0% higher than the corresponding period in 2025, with sales volumes increasing by 3.4%⁸. These improvements reflected resilient consumer demand despite continuing inflationary and geopolitical pressures.

Footfall also continued to recover during the period, although growth remained relatively modest. Industry evidence indicated that shopping centres generally outperformed high streets in terms of visitor numbers, benefiting from their broader leisure and food and beverage offer, while prime city centre locations continued to attract strong occupier demand.

⁶ Colliers, South East Offices Snapshot – January 2026

⁷ Knight Frank 'South East and Greater London Offices' Q1 2026

⁸ Knight Frank 'Retail Sales Dashboard' March 2026

3 Property Market Review - continued

The improving footfall trend, combined with stronger retail sales performance and declining vacancy rates, supported rental growth and investor confidence in prime retail assets.

On the back of improved consumer spending the occupier market outlook was positive. The number of retail stores affected by distressed retailers was less than 2024 with the most notable 'failures' being Claire's Accessories, Bodycare and Poundland. The vacancy rate continued on a downward trajectory with a national vacancy rate at its lowest level (13.5%) since COVID in 2020⁹. At the prime end of the market rental growth was evident. With this cautious optimism, some key retailers were committing to investment in their stores and spending on shop fits and refurbishments.

This has included River Island who have demonstrated their confidence in the Staines market by fully refitting their store and we are expecting further refits from Fragrance Shop and Beauty Brow in the next 12 months.

The Elmsleigh Centre performed well in line with market trends demonstrating rental growth in a number of new lettings (see section 4.1 below). The occupancy rate of 100% at year-end is remarkable for a regional centre. Whilst footfall continued to marginally decline by 2% retailers performances remained upbeat despite the cost of living affecting consumer spending.

Income from mall commercialisation space increased to a level higher than pre-covid, demonstrating increased interest in promotional space and "pop ups" including oud perfume and Mediterranean foods. Investment activity also strengthened. According to CBRE, UK retail investment volumes reached approximately £1.5 billion in Q1 2026, representing 14% of total UK commercial property investment¹⁰.

Investor demand remained focused on retail parks, prime shopping centres and dominant regional high streets, reflecting renewed confidence in well-located retail assets with strong occupational fundamentals.

Overall, the retail property sector outperformed much of the wider commercial real estate market delivering a total return of 9.6% in 2025¹¹ with shopping centres and foodstores the best performing sub-sector within the retail market.

⁹ Knight Frank 'The Retail Note – Retail in 2026:Retaining the Crown' January 2026

¹⁰ CBRE 'UK Retail at a Glance Q1 2026' May 2026

¹¹ Knight Frank 'The Retail Note – Retail in 2026:Retaining the Crown' January 2026

4 Asset Management

4.1 Lettings & Lease Renewals

In the last 12 months, despite continued challenging market conditions the Council completed seven new lettings totalling 35,557sq.ft. Three office lettings comprising 25,428 sq.ft completed at Thames Tower in Reading and the Charter Building in Uxbridge and four retail lettings at the Elmsleigh Shopping Centre.

New Lettings Completed to 31 March 2026

Date Completed	Property	Sector	Area sq.ft
Aug-25	5th floor Thames Tower, Reading	Office	4,680
Jun-25	Ground floor Charter Building, Uxbridge	Office	14,899
Jul-25	part 2nd floor Charter Building, Uxbridge	Office	5,849
Aug-25	77 High Street, Staines Upon Thames	retail	3,171
May-25	Unit 37 Elmsleigh	retail	904
Oct-25	91 High Street	retail	1,191
Jul-25	Unit 35-36	retail	4,863
Total			35,557

Lease Renewals Completed to 31 March 2026

Property	No. of lease renewals
Elmsleigh Centre and High Street, Staines	7
Summit Centre, Sunbury	2
17 Station Road	1
Thames Tower	2
Total	12

Over the last 12 months new lettings generated an income of £1.03 million per annum and an increase in rent of £120,314 per annum. The vacancy rate across the portfolio was 7.7% by floor area or 8.4% by rental value.

Vacant Property as at 31 March 2026

Property	Town	Sq.ft to Let	% of Property total floor area
Porter Building	Slough	35,998	1.9%
Elmbrook House	Sunbury	2,661	0.1%
The Charter Building	Uxbridge	54,407	2.8%
Thames Tower	Reading	13,933	0.7%
Communications House	Staines	11,945	0.6%
Summit Centre	Sunbury	28,778	1.5%
Total Portfolio Void		147,722	7.7%

5 Investment

The Council sold 3 Roundwood Avenue in Stockley Park completing the sale on the 30th March 2026. The property had been identified as an underperforming asset, providing a net operating loss (after finance costs) in the last three financial years 2022-2025. The property had a void rate of 76% with low short-term prospects of re-letting due to limited occupier demand and over supply of office space at Stockley Park. The building required substantial capital expenditure to refurbish the first floor office space to facilitate re-letting which the Council could not support.

To comply with the Statutory Direction, the Council agreed to an asset rationalisation programme in November 2025 to underpin the revised Medium-Term Financial Strategy following the debt re-structuring. Knight Frank LLP were subsequently appointed following a competitive procurement process to advise the Council on the property disposals. The Council will be undertaking a strategic sales programme over the next 3 years. A number of properties were being prepared for sale at the year-end with the first tranche to be brought to the market in May 2026 for a sale in the FY 2026/27.

3 Roundwood Avenue, Stockley Park.



6 Key Performance Indicators

The Council has set a number of key performance indicators for the Investment Portfolio. The key performance indicators are published as part of the Asset Management Plan. The key performance indicators set targets for the management of the investment portfolio and focus on income, expenditure, portfolio risk and tenant risk. A copy of the KPI's can be found as Appendix A.

6.1 Financial (Income & Expenditure)

The Council's budget setting process involves forecasting the income generated from the investment portfolio for the upcoming financial year and the irrecoverable expenditure. On an annual basis forecasts are provided for the next 5 years together with a detailed budget for the next 12 months. Budget setting takes place in the Autumn prior to the 1 April start of the financial year.

The investment properties benefit from a contractual income stream governed by the rent agreed under the lease. Whilst the lease contract allows the Council to budget the net receivable income with some accuracy there is an element of unpredictability and risk due to tenant default, insolvency, rent reviews, lease renewal negotiations or the exercise of break options.

Income and expenditure are monitored on a monthly basis and reported quarterly to Committee Members throughout the financial year.

The Council received a rental income of £47.91 million from the investment portfolio for the financial year ending 31st March 2026 slightly lower than budgeted by 1% or £517k. The rental income stated in the financial accounts is higher than the contracted rental income stated in the valuation due to insurance reimbursements, general licence income, contributions from dilapidation payments, rent top ups and amortised lease incentives.

Operating expenditure for the financial year totalled £4.91 million. Due to responsible management expenditure was 32% or £2.32 million below budget. Irrecoverable expenditure relates to the costs that the Council as Landlord incurs in the effective management of the properties. This may include expenditure associated with vacant property such as business rates, insurance and service charge as well as refurbishment costs, letting costs and professional fees.

Overall, the net income position was positive with the investment portfolio providing the Council with an income (before finance costs) of £43 million. Net income exceeded the budget set by the Council for the investment portfolio by £1.8 million or 4%.

6.1.2 Financial Outturn

The table below demonstrates the net income or loss to the Council of the investment properties after finance costs, management set aside and sinking fund movements. In November, in line with the Council's financial strategy the investment properties were refinanced and the debt re-structured. The Council refinanced £905 million of existing debt with the Treasury, secured a discount of £342 million and reduced the overall debt by 32%. The impact of the refinancing was an increase in the minimum revenue provision and interest payments across the portfolio.

The cost of servicing the debt totalled £73.95 million. Overall, the net position including finance costs was a loss of £26.64 million.

6 Key Performance Indicators – Continued

Net Surplus/Loss after Financing Costs(as presented in the Annual Accounts FY25/26)	
	Totals £000s
Rental Income	(45,649)
Other Income	(1,143)
Lease Incentives	(1,114)
Total Income	(47,906)
Operating Costs	4,908
Total Expenditure	4,908
Financing costs	22,781
Minimum Revenue Provision	51,165
Contribution from reserves	(4,983)
Set aside for management costs	670
Net (Surplus)/Loss	26,635
Net Surplus/Loss after Financing Costs (as presented in Annual Accounts FY 25/26)	

6.2 Tenant Risk

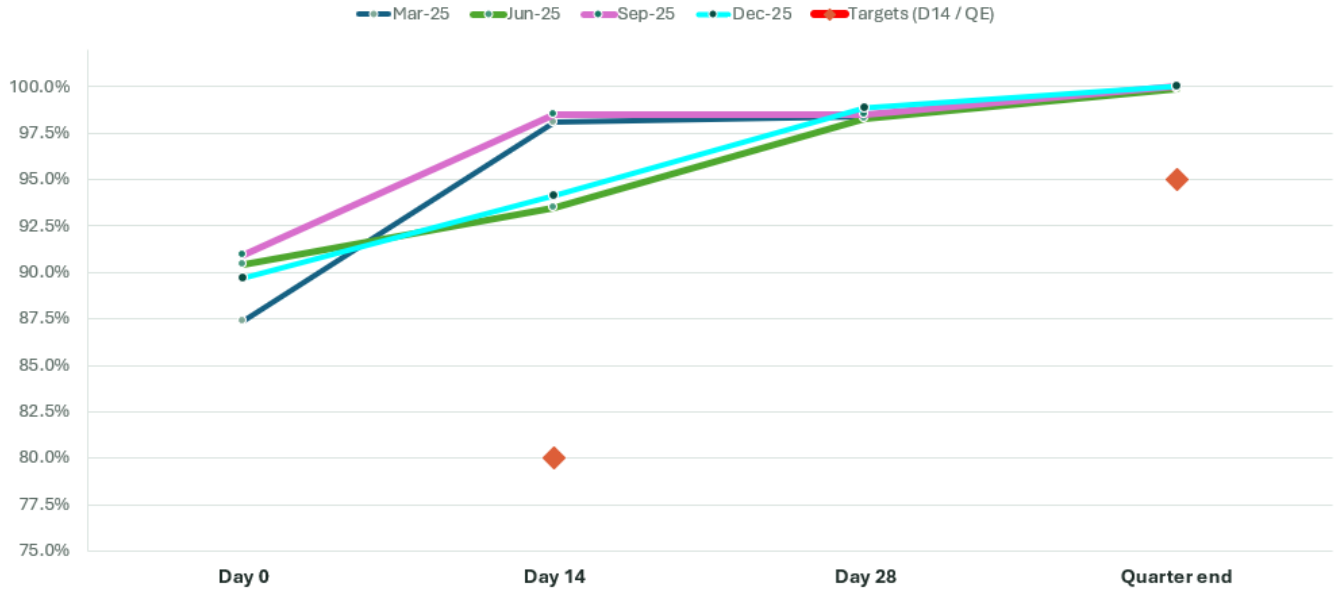
Tenant default poses a great risk to the performance of the portfolio. To ensure that current and future occupier risk is identified and mitigated the Council monitors the credit rating of the tenants. A review of the credit ratings and a 'RAG' risk score is undertaken on a bi-annual basis using a credit monitoring service (currently Dun & Bradstreet).

The Council has stringent processes in place to monitor the collection of rent and identify potential problem tenants. The Council commits to collecting 90% of all quarterly demanded rents within 14 days of the due date and 100% of all rent by the quarter end. The Council is responsible for invoicing and credit control, having taken the rent collection function in-house for the office portfolio from March 2025 and the retail portfolio in September 2025. In-house rent collection provides greater transparency and control whilst also improving treasury management.

6 Key Performance Indicators – Continued

Collection exceeds 98% by Day 28

Portfolio snapshots, Mar–Dec 2025 • Targets: 80% at Day 14 and 95% by quarter end



The Council exceeded the portfolio target over all four quarters of the 25/26 financial year collecting an average of 96.1% of all office rent over the year within 14 days. The collection rate was 100% by the quarter end. No bad debt provisions were made during the year for non-collected rent or insolvent tenants.

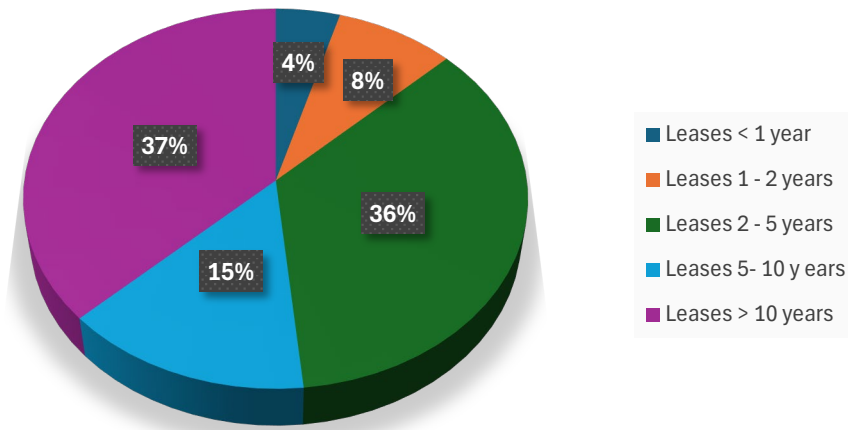
The quarterly retail rents exceeded the KPI for the September and December quarter. Since September when the Council took in-house the rent collection, an average of 99.4% of all rent was collected 14 days after the due date with 100% collected by the end of the quarter.

6.3 Portfolio Risk

In general, the portfolio had a decreasing weighted average unexpired lease term (WAULT) over the past 12 months with 47% of the headline rent due to expire in less than five years. The WAULT of the investment portfolio is 6.36 years until expiry and 5.87 years to the earliest break. The Council's exposure to tenant risk due to expiring leases increases if Sunbury Business Park is excluded due to the longer lease profile and high proportion of rent that the property contributes to the overall rent roll. The declining lease profile across the portfolio in the current occupier market was the main reason for the outward yield shift in the valuation which resulted in reducing capital values. Active asset management ensures that there are strategies in place to preserve the income by early lease renewal negotiations.

6 Key Performance Indicators – Continued

% of Contracted Rent



Total Portfolio – Longevity of Income based on lease length

The Council's portfolio is predominantly invested in South East offices. Based upon the March valuation 92.2% is invested in offices, 2.8% in light industrial and 5.1% in retail (shopping centre). The lack of geographical and sector diversification is a consequence of the investment acquisition strategy during the period 2016-2018. The investment criteria was to acquire property which presented an opportunity for residential development within the borough or prime, core properties located in the Heathrow economic area. The high office weighting has had a negative impact on performance over the last five years.

7 Conclusion

Over the last 12 months, the portfolio has seen an overall fall in capital value due to shortening lease lengths and office vacancies in stubborn and oversupplied occupier markets. Nevertheless, the portfolio vacancy rate remains well below the office industry norm, the Elmsleigh Shopping Centre has remained fully occupied unlike other struggling regional schemes and the rent collection as a result of bringing the function in-house has increased to 100%. The investment portfolio has contributed above budget net income of £43 million but following debt re-financing made an overall loss for the financial year. A disposal programme was in place at the year end to meet the Council's statutory obligation to liquidate the portfolio and reduce the overall debt burden. One property at Stockley Park was sold at the year end. Looking forward, asset management will focus on lease renewals and lettings to reduce the void rate and improve the income profile. Since March, the prolonged conflict in the Middle East has created economic uncertainty with major institutions having downgraded their projections for property returns. Overall, there is less optimism than at the beginning of 2026. The current economic climate of inflationary pressures, higher gilt yields and the expectation of interest rate rises will make for challenging conditions going forward.

Appendix A – Key Performance Indicators

	Responsibility	Reason	Data Source	Benchmark	Performance against Benchmark	Comments
FINANCIAL (INCOME)						
Portfolio Income Growth	Asset Management	To assess how SBC portfolio compares to budget in terms of net receivable income	Monitoring reports/ financial outturn	Target is to match or exceed Budget income outturn	Budget net receivable income £41.20 million Actual net receivable income £43.00 million	Exceed budget.
Deliver a Net Contribution to Revenue budget of £10.8m+ on average over a 3 year period.	Asset Management & Finance	To ensure continued provision of service delivery	Monitoring reports/ financial outturn	Target is to match or exceed net contribution after financing costs to revenue budget.	Net income/(loss) transferred to the revenue budget. FY 2023/2024 £7.2 million FY 2024/2025 £8.8 million FY 2025/2026 (£26.64 million)	Due to Statutory Directions & property re-financing the property portfolio produced a net loss after financing costs of £26.64 million.
FINANCIAL (EXPENDITURE)						
Irrecoverable Revenue Expenditure	Asset Management	To monitor expenditure on refurbishments and holding costs against Budget and Business Plans	Monitoring reports/ financial outturn	Target = Budget	Budget irrecoverable revenue expenditure (operating costs) £7.22 million Actual irrecoverable revenue expenditure £4.91 million	Underspent compared to budget.

	Responsibility	Reason	Data Source	Benchmark	Performance against Benchmark	Comments
LEASE EVENT MANAGEMENT						
Rent Reviews	Asset Management	To avoid delays in recording rental uplifts and for good estate management reasons and to maintain tenant relationships		All reversionary rent reviews to be instigated prior to rent review date unless by exception	One rent review was completed over the 12 months recorded at nil uplift.	
Lease Expiries	Asset Management	To avoid delays in recording rental uplifts and for good estate management reasons and to retain existing tenants		All contracted out expiries to be instigated prior to expiry date unless by exception	All lease expiries were instigated by the expiry date.	Details of the completed lease renewals are listed on page 10 .
TENANT RISK						
Regular review of occupier credit ratings	Asset Management	To ensure that current and future occupier risk is identified and mitigated against	Dun & Bradstreet & Experian	Target = bi-annual reporting	Bi- annual updates are provided as part of Asset Management reporting of Business Plans and half year review.	8 of the top 10 tenants are of low or low moderate financial risk according to Dun & Bradstreet.
Rent collection (lease rent only, exc turnover)	Asset Management	Regular monitoring of rent collection to assist with Finance budgeting and to identify problem tenants	Property Agents	80% within 14 days 95% of income demanded by Qtr end	March '25 Qrt day 14: 98.1% June '25 Qrt day 14: 93.5% Sept '25 Qrt day 14: 98.5% Dec '25 Qrt day 14: 94.1% March '25 Qrt End: 100% June '25 Qrt End: 99.9% Sept '25 Qrt End: 100% Dec '25 Qrt End: 100%	Exceeded benchmark across all quarters during the financial year. 100% of all annual rent collected.

	Responsibility	Reason	Data Source	Benchmark	Performance against Benchmark	Comments
Portfolio Weighted Average Unexpired Lease Term to exceed market average lease length on new letting	Asset Management	To ensure strategies are in place to preserve longevity of income	Annual Valuation	Property sector regional geographic reports provided by Knight Frank	Investment portfolio weighted average unexpired lease term to first break (March 2026) was 5.87 years & 6.36 year to expiry.	The investment portfolio weighted average unexpired lease term is shorter than the average market lease length.
Void rate of portfolio split into office and retail to be less than sector and geographical average	Asset Management	To ensure strategies are in place to ensure void costs remain as low as possible.	Property Agents	Property sector regional geographic reports	The Council's office void rate at (March 2026) was 7.7% as % of floor area and 8.4% as a % of ERV.	This is less than the sector and geographical average. The Council does not subscribe to the MSCI index so we are unable to publish the benchmark figure.



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Committee Report Checklist

Please submit the completed checklists with your report. If final draft report does not include all the information/sign offs required, your item will be delayed until the next meeting cycle.

Stage 1

Report checklist – responsibility of report owner

ITEM	Yes / No	Date
Councillor engagement / input from Chair prior to briefing		
Relevant Group Head review	N/A	
MAT+ review (to have been circulated at least 5 working days before Stage 2)	Yes	11/9
This item is on the Forward Plan for the relevant committee		
	Reviewed by	
Finance comments (circulate to Finance)		
Risk comments (circulate to Lee O'Neil)	LO	11/09/26
Legal comments (circulate to legal@spelthorne.gov.uk)	JC	11/09/26
HR comments (if applicable)	N/A	

For reports with material financial or legal implications the author should engage with the respective teams at the outset and receive input to their reports prior to asking for MO or s151 comments.

Do not forward to stage 2 unless all the above have been completed.

Stage 2

Report checklist – responsibility of report owner

ITEM	Completed by	Date rec'd
Monitoring Officer commentary – at least 5 working days before MAT	L Heron	15/09/26
S151 Officer commentary – at least 5 working days before MAT	T.Collier	11/09/26
Commissioner engagement		
	Delete as applicable:	No issues Comments in S. 7
Relevant MAT member sign-off	PM	15/09/26
Report reviewed by Management Team		

Corporate Policy & Resources Committee

Monday 12th October 2026

Title	Disposal of Communications House, Staines
Purpose of the report	To make a recommendation to Council
Report Author	Coralie Holman – Group Head Assets
Ward(s) Affected	All Wards
Exempt	Report – No Appendices 1-5 (inclusive) - Yes
Exemption Reason	Appendices 1-5 (inclusive) contain 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 Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information) and in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because, disclosure to the public would prejudice the financial position of the authority in any contract or other type of negotiation with a prospective purchaser who could then know the position of the Council.
Corporate Priority	Resilience
Recommendations	Committee is asked to: 1) Consider the proposed disposal terms as set out in this report (summarised in Appendix 1); and 2) Recommend that the Council: 2.1 Approve the disposal terms set out in this report 2.2 Delegate authority to the Chief Finance Officer and Group Head of Assets, in consultation with Chair and Vice Chair of Corporate Policy and Resources Committee to agree minor variations to the Heads of Terms and adjustments to the sale price; and 2.3 Delegate authority to Group Head of Corporate Governance to enter into a transfer to complete the disposal and any ancillary legal documentation required in relation to the proposed disposal.

Reason for Recommendation	Agreement to the recommendations in this report will enable the approved Asset Rationalisation plan to be progressed towards achieving the agreed target level of capital receipts by 31 st March 2027.
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1. Executive summary of the report

What is the situation	Why we want to do something
The Council approved an asset rationalisation programme in December 2025.	The recommendation in this report implements relevant work required to further asset rationalisation.
This is what we want to do about it	These are the next steps
To progress the disposal of Communications House and generate a capital receipt.	- Report to be considered at Full Council on 22nd October 2026. - Enter into a contract to sell Communications House

2. Key issues

Background

- 2.1 Following the Council's decision in December 2025 to implement a commercial asset rationalisation plan, Knight Frank, a leading real estate agency, were appointed following a procurement exercise, to advise the Council on its asset rationalisation proposals and undertake the marketing of selected assets for disposal.
- 2.2 Knight Frank undertook a comprehensive review of all the Council's commercial assets and provided advice centred around a phased disposal programme to ensure best consideration (which is the requirement under s.123 of the Local Government Act 1972) would be achieved for each disposal. Consideration was given to the property specifics of each asset in terms of tenant profiles, security of income, forthcoming lease expiries and the level of vacant space within a building. These criteria were used and considered against the property market conditions and current investor preferences and risk, which in turn identified suitable assets for inclusion in the phase 1 disposals. As anticipated, phase 1 disposals have been marketed during the first half of the financial year 2026/27.

3. Asset Performance

- 2.3 Communications House was acquired in July 2018 as part of the Council's commercial property assets acquisition programme, which intended to realise additional income for the Council to fund discretionary front-line services.

- 2.4 Communications House has been identified as an underperforming asset. In the financial year to 31 March 2026, it negatively contributed to the revenue budget with the property income insufficient to cover the operating and financing costs. This asset has seen a significant fall in value since acquisition in 2018 (see confidential Appendix 4).
- 2.4 Communications House has remained partially vacant for a significant period, and it has been anticipated for several years the longer-term use for the site would be some form of residential conversion. Whilst 4 full floors and part of the 4th floor of the building are currently let, (81% of the building) there are only 2 tenants occupying the building on leases expiring or with a mutual break option in January 2029. The challenges of securing tenants previously and current reduced office take up more widely within this area of Staines all point to there being no realistic prospects of the asset's value returning to its purchase price as an office investment.

Marketing and Bids

- 2.5 A targeted marketing approach was adopted for this asset, as known residential to office developers had previously approached both the Council and Knight Frank regarding an 'off market' purchase. This approach was considered carefully before being progressed as it is essential that the disposal achieved best consideration in line with statutory requirements.
- 2.6 Two parties with a strong reputation for 'performing' and being able to offer top level pricing, were approached. Neither party partake in competitive tendering processes. On this basis it was concluded if the targeted parties were prepared to offer more than the top end of the target price range, this would achieve best consideration which could be substantiated via an independent Red Book Valuation.
- 2.7 The target pricing range suggested by Knight Frank for Communications House was 'sense checked' against bids received for the sale of the Council owned Thameside House, located adjacent to Communications House, which was also sold for residential conversion. Thameside House was openly marketed.
- 2.8 As with other disposals progressed in order that all interest could be progressed without conditionality a virtual data room, which contained all relevant information about the asset, was set up fully populated for parties to be able to view.
- 2.10 Both parties made offers, which are set out within the confidential Appendix 2 of this report, together with a summary of the price and terms of the disposal to assist the elected members. Knight Frank's recommendation regarding this disposal is included within Appendix 5. The recommended purchaser was selected on the basis of the highest financial offer. This was the only material difference between each offer. Heads of Terms can be found in confidential Appendix 1

Office Real Estate

- 2.11 The marketing focus of Communications House was targeted to residential developers as set out above, this was considered the approach to achieve the highest sale price.
- 2.12 The office investment market has experienced a significant decline since the asset was purchased in 2018. There has been a reduction in office asset sales and a huge drop in office asset values not just within the locality of this asset, but nationally due to structural shift in how people work, with many people now working on a hybrid basis with less emphasis on the requirement for 5 day a week office working, lowering demand for office space.
- 2.13 In addition, a rise in inflation and higher interest costs are impacting property returns and capital values. Sector data indicates that the overall share of the office sector as part of commercial property investment has fallen by 39% since 2019.
- 2.14 There remains a lot of uncertainty in how the office sector will perform over the next 12 months. Whilst there remains some optimism the key regional cities i.e. Central London will continue to see some improvement, any recovery will take time to filter into the regional areas. This, together with the reducing unexpired term of the occupational lease, is likely to negatively affect the asset's attractiveness in the market and the Council will continue to feel the impact of financing costs that exceed income levels.
- 2.15 The uncertainty within the office sector and demand from office occupiers for strong office locations, Category Grade A space has resulted in many secondary office locations like the town centre in Staines experiencing a huge decline in office take up, with buildings remaining unlet for a long period of time. Owners have therefore looked for alternative uses to convert offices to. Whilst conversion can be expensive, it can provide an economically viable solution and conversion of former offices to residential uses is now a common practice.
- 2.15 The calculation of the bid for the disposal of this asset will have been based on different valuation methodology than the valuations the Council undertakes for its year end valuations. The Council's value at 31st March 2026, was based on an office investment and income, whereas the bid will be based on a residential residual method of valuation. A residual method of valuation considers what a piece of land or a building which is beyond its useful economic life is worth by taking its final finished value, subtracting all the conversion costs plus the developer's profit.
- 2.16 The disposal will reduce this Council's exposure to commercial property risk and future vacant premises costs.

3 Options appraisal and proposal

3.1 Option 1 –Recommend the asset's disposal to Council for approval (recommended)

On occasions a targeted approach to marketing of an asset is the best way to determine its realisable value, therefore based on the circumstances set out

above, the disposal price is expected to be the highest price the Council will achieve for the asset. This is supported by the recommendation from Knight Frank and the Independent Red Book Valuation from Allsop & Co. (see Appendix 3).

The sale will save the Council substantial revenue budget costs in 2026/27 (and MRP financing costs from 2027/28) which is currently having a negative impact on the Council's financial position.

3.2 Option 2 – Decline the offer and progress to market the property

Full marketing is not expected to achieve a higher sale price, due to the level of bids already received. There is no evidence to support a higher sale price if undertake full marketing. This option is not recommended.

4 Risk implications

- 4.1 The Council's appointed advisers, Knight Frank and Clyde & Co, will undertake the mandatory money laundering checks on the company and any person of significant control within the company. The buyer has been professionally advised and has a UK based solicitor. We have no concerns over the intention or commitment of the buyer, however, until contracts are exchanged, as with any disposal the legal process proceeds at risk of going abortive. To mitigate this risk the sale process will be monitored by the Asset Management Team and Knight Frank.
- 4.2 The sale is subject to the legal due diligence process, a satisfactory report on title and an agreed contract. The Council's external legal advisers Clyde & Co will draft the sale contract and ensure all legal compliance. It is possible that an issue of concern to the purchaser is raised during the legal process which may result in the purchaser reducing their offer or withdrawing completely.
- 4.3 Even though the asset will no longer be within the Council's control once sold, the anticipated future use of residential conversion fits with the emerging Staines Masterplan proposals and will deliver much needed housing to the town centre.

5 Financial implications

- 5.1 Disposing of the asset for the sale price will generate a capital receipt in 2026/27. This will be used to reduce the Council's Capital Financing Requirement (CFR) and thus reduce the MRP charge to the Revenue Budget in 2027/28 and beyond. This is in line with the Statutory Direction to reduce debt. It will also avoid the likelihood future decline in the value of the asset and the ongoing annual loss.
- 5.2 Financial analysis, relating to the terms of the disposal, can be found in confidential Appendix 4 of this report.
- 5.3 Not disposing of this asset in 2026/27 would have financial implications for the new West Surrey Council in terms of not reducing its Minimum Revenue

Provision (MRP) in line with the current Medium-Term Financial Strategy (MTFS) projections and thereby increasing revenue budget costs because of higher financing costs.

6 Legal comments

- 6.1 Further to sections 120-123 of the Local Government Act 1972, the Council has the powers to acquire and dispose land and property subject to complying with the certain statutory requirements, one of which is securing the best consideration that can reasonably be obtained. To satisfy the best consideration requirement, an independent valuation and advice are strongly advisable.
- 6.2 Any disposal will be subject to the terms of the contract, transfer and any other necessary legal documentation. The Council's in-house Legal Services will support the sale with external legal advice.
- 6.3 Failure to obtain best consideration from the proposed disposal may expose the Council to risk of legal challenge by way of a judicial review which will result in substantial legal costs and reputational damage.
- 6.4 In accordance with part 3 (b) of the Constitution decisions on freehold disposal of investment assets are within the remit of Corporate Policy and Resources Committee. In view of the wider budgetary implications and the impact of each capital receipt on the Council's Treasury Management Strategy, this disposal is referred to Council for final approval.

Corporate Implications

7 Commissioners' comments

- 7.1 Commissioners strongly support the recommendations of this report, as they
 - align with the directions issued to the Council by the Secretary of State on 8 May 2025;
 - align with the principle of asset rationalisation agreed by Council on 17 November 2025;
 - enable the council to deliver on the 26/27 budget and reduce the risk of a need to make further savings during the current financial year; and
 - support the delivery of the MTFS over subsequent years and the sustainability of West Surrey Council and therefore reduce the risk to West Surrey residents of future cuts to services

8. S151 Officer comments

- 8.1 The Section 151 Officer confirms that all relevant financial implications have been identified and evaluated. The offer is at the top end of the anticipated offer range. The S151 Officer strongly supports the recommendation for disposal at the proposed price, as this is consistent with the approved decision of the

Council in December 2025 to undertake an investment asset rationalisation programme in compliance with the statutory Best Value Direction and is consistent with improving the Medium-Term financial sustainability of Spelthorne/West Surrey Councils, both by bringing to an end the ongoing net holding cost of the asset and by reducing future MRP.

9. Monitoring Officer comments

- 9.1 The Monitoring Officer has been consulted on this report and confirms that subject to the matters set out in the report, and provided that all applicable statutory requirements (including Best Value Directions of May 2025) have been addressed and proper process is followed, the proposal can be considered legally compliant.

10. Procurement comments

- 10.1 There are no procurement implications arising directly from the recommendations in this report.

11 Equality and Diversity

- 11.1 There are no direct equality and diversity issues arising from a property disposal as the sale doesn't impact the current operation of or occupiers of the asset. The marketing, viewing and bidding process was undertaken ensuring there was no discrimination against prospective buyers.

12. Sustainability/Climate Change Implications

- 12.1 Communications House has a valid EPC rating of B this complies with The Energy Performance of Buildings (England and Wales) Regulations 2012.

13. LGR / other considerations

- 13.1 Not disposing of this asset in 2026/27 would have significant financial implications for the new West Surrey Council in terms of not reducing its MRP in line with the current MTFS projections and thereby increasing revenue budget costs because of higher financing costs. In turn this will mean the reserves Spelthorne will be passing across to West Surrey will be used up more rapidly. This would prejudice the financial resilience of West Surrey Council and would have a significant impact on West Surrey's budget setting. Consequently, this is very likely to adversely affect their ability to continue to maintain services currently provided by Spelthorne Borough Council.
- 13.2 This property is anticipated to provide a negative contribution to the Council's/West Surrey Council's revenue budget over the next six years, if it is not disposed of.

14. Timetable for implementation

- 14.1 Following consideration by this Committee, this proposed disposal will be presented to Council on 22nd October 2026 for final decision.

15. Contact

15.1 Coralie Holman Group Head Assets c.holman@spelthorne.gov.uk

Appendices

Appendix 1 – Heads of Terms – Exempt

Appendix 2 – Schedule of Bids received - Exempt

Appendix 3 - Redbook Valuation - Exempt

Appendix 4 – Summary financial information – Exempt

Appendix 5 – Knight Frank Disposal Recommendation - Exempt

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Stage 1**Report checklist – responsibility of report owner**

ITEM	Yes / No	Date
Councillor engagement / input from Chair prior to briefing		
Relevant Group Head review	N/A	
MAT+ review (to have been circulated at least 5 working days before Stage 2)		
This item is on the Forward Plan for the relevant committee		
	Reviewed by	
Finance comments (circulate to Finance)		
Risk comments (circulate to Lee O'Neil)	LO	11/09/26
Legal comments (circulate to legal@spelthorne.gov.uk)	LH	15/09/26
HR comments (if applicable)	N/A	

For reports with material financial or legal implications the author should engage with the respective teams at the outset and receive input to their reports prior to asking for MO or s151 comments.

Do not forward to stage 2 unless all the above have been completed.

Stage 2**Report checklist – responsibility of report owner**

ITEM	Completed by	Date rec'd
Monitoring Officer commentary – at least 5 working days before MAT	L Heron	15/09/26
S151 Officer commentary – at least 5 working days before MAT	T. Collier	11/09/26
Commissioner engagement	LS	15/09/2026
	Delete as applicable:	Comments in S. 7
Relevant MAT member sign-off	PM	15/09/26
Report reviewed by Management Team		

Corporate Policy & Resources Committee

Monday 12th October 2026

Title	Disposal of 12 Hammersmith Grove, London W6
Purpose of the report	To make a recommendation to Council
Report Author	Coralie Holman – Group Head Assets
Ward(s) Affected	All Wards
Exempt	Report and Appendix 1 – No Appendices 2-6 (inclusive) - Yes
Exemption Reason	Appendices 2-6 (inclusive) contain 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 Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information) and in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because, disclosure to the public would prejudice the financial position of the authority in any contract or other type of negotiation with a prospective purchaser who could then know the position of the Council.
Corporate Priority	Resilience
Recommendations	Committee is asked to: 1) Consider the proposed disposal terms as set out in this report (summarised in Appendix 4); and 2) Recommend that the Council: 2.1 Approve the disposal terms set out in this report 2.2 Delegate authority to the Chief Finance Officer and Group Head of Assets, in consultation with Chair and Vice Chair of Corporate Policy and Resources Committee to agree minor variations to the Heads of Terms and adjustments to the sale price; and 2.3 Delegate authority to Group Head of Corporate Governance to enter into a transfer to complete the disposal and any ancillary legal documentation required in relation to the proposed disposal.

Reason for Recommendation	Agreement to the recommendations in this report will enable the approved Asset Rationalisation Programme to be progressed towards achieving the agreed target level of sales receipts by 31 st March 2027.
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1. Executive summary of the report

What is the situation	Why we want to do something
The Council approved an asset rationalisation programme in December 2025.	The recommendation in this report implements relevant work required to further asset rationalisation
This is what we want to do about it	These are the next steps
To progress the disposal of 12 Hammersmith Grove, London W6 and generate a capital receipt	- Full Council consider the terms for the disposal on 22nd October - Enter into a contract to sell 12 Hammersmith Gove, London W6

2. Key issues

Background

- 2.1 Following the Council's decision in December 2025 to implement a commercial asset rationalisation plan, Knight Frank, a leading real estate agency, were appointed following a procurement exercise, to advise the Council on its asset rationalisation proposals and undertake the marketing of selected assets for disposal.
- 2.2 Knight Frank undertook a comprehensive review of all the Council's commercial assets and provided advice centred around a phased disposal programme to ensure best consideration (which is the requirement under s.123 of the Local Government Act 1972) would be achieved for each disposal. Consideration was given to the property specifics of each asset in terms of tenant profiles, security of income, forthcoming lease expiries and the level of vacant space within a building. These criteria were used and considered against the property market conditions and current investor preferences and risk which in turn identified suitable assets for inclusion in the phase 1 disposals. As anticipated, phase 1 disposals have been marketed during the first half of the financial year 2026/27.

Asset Performance

- 2.3 The property known as 12 Hammersmith Grove, London W6 was acquired in January 2018 as part of the Council's commercial property assets acquisition programme, which intended to realise additional income for the Council to fund discretionary front-line services.

- 2.4 This property has been identified as an underperforming asset. In the financial year to 31 March 2026, it negatively contributed to the revenue budget with the property income insufficient to cover the operating and financing costs. This asset has seen a significant fall in value since acquisition in 2018(see confidential Appendix 5).
- 2.5 12 Hammersmith Grove was fully occupied in 2018 when purchased with most leases being for a term of 10 years expiring in 2027. Over the past year or two it has become apparent, this location in London does not generate strong demand for new lettings, and many tenants have decided to relocate and not renew their leases. This is resulting in a large element of the office becoming vacant with limited ability to re-let the space. Tenants that are prepared to renew leases have a strong negotiating position resulting in lower annual rents being agreed and longer rent-free periods being agreed as part of the tenant incentives to renew the lease. If these incentives were not offered a greater number of tenants would have vacated as they would be able to secure more competitive terms on other third party owned buildings. The resultant impact being lower annual rental income and greater landlord costs being incurred from vacant space within the building.

Marketing

- 2.6 Open marketing of this asset took place together with organisations being 'targeted' who were known to be seeking similar asset types in terms of use, location, financial return and risk. A marketing brochure was prepared and circulated to interested parties; this is included in Appendix 1. This was circulated widely to all known parties who may be interested in the property. Knight Frank's report in Appendix 6, details further information on the level of enquires and viewings.
- 2.7 Interested parties were given access to a virtual data room, which contained all relevant information about the asset, and were able to undertake a visit to the asset. Based on this information and site visits, following a marketing period, Knight Frank set a deadline for offers to be received from interested parties.

Bids received

- 2.9 There was strong positive interest in the asset, 2 rounds of initial bidding were undertaken. This then resulted in a final and third stage of bidding for the top 2 bidders. The final 2 rounds of bidding saw bids exceed the top end of the target price range. The bids received in the third and final bidding stage are set out in confidential Appendix 3.
- 2.10 Both final round bids have been carefully assessed, and a preferred bidder has been selected for approval by the Council. Draft Heads of Terms accompany this report in the confidential Appendix 2 of this report, together with key terms of the recommended offer being included in Appendix 4. Knight Frank's recommendation re this disposal is included within Appendix 6.

Office Real Estate

- 2.11 The office investment market has experienced a significant decline since the asset was purchased in 2017. There has been a reduction in office asset sales and a huge drop in office asset values not just within the locality of this asset, but nationally due to structural shift in how people work, with many people now working on a hybrid basis with less emphasis on the requirement for 5 day a week office working, lowering demand for office space.
- 2.12 In addition, a rise in inflation and higher interest costs are impacting property returns and capital values. Sector data indicates that the overall share of the office sector as part of commercial property investment has fallen by 39% since 2019.
- 2.13 There remains a lot of uncertainty in how the office sector will perform over the next 12 months. Whilst there remains some optimism that the key regional cities i.e. Central London will continue to see some improvement, any recovery will take time to filter into the regional areas. This, together with the reducing unexpired term of the occupational lease, is likely to negatively affect the asset's attractiveness in the market and the Council will continue to feel the impact of financing costs that exceed income levels.
- 2.14 The disposal will reduce this Council's exposure to commercial property risk. and future vacant premises costs.

3 Options appraisal and proposal

3.1 Option 1 – Recommend the asset's disposal to Council for approval (recommended)

The marketing of an asset is the best way to determine its realisable value, therefore based on the circumstances set out above, the disposal price is expected to be the highest price the Council will achieve for the asset. This is supported by the recommendation from Knight Frank.

The sale will save the Council substantial revenue budget costs in 2026/27 (and MRP financing costs from 2027/28) which is currently having a negative impact on the Council's financial position.

3.2 Option 2 – Decline the offer and continue to market the property

Further marketing is not expected to achieve a higher sale price, due to the level of bids already received. There is no evidence to support a higher sale price if we continue to market for a longer period or broaden the marketing to any interested party. This option is not recommended.

4 Risk implications

- 4.1 The Council's appointed advisers, Knight Frank and Clyde & Co, will undertake the mandatory money laundering checks on the company and any person of significant control within the company. The buyer has been professionally advised and has a UK based solicitor. We have no concerns over the intention

or commitment of the buyer, however, until contracts are exchanged, as with any disposal the legal process proceeds at risk of going abortive. To mitigate this risk the sale process will be monitored by the Asset Management Team and Knight Frank.

- 4.2 The sale is subject to the legal due diligence process, a satisfactory report on title and an agreed contract. The Council's external legal advisers Clyde & Co will draft the sale contract and ensure all legal compliance. It is possible that an issue of concern to the purchaser is raised during the legal process which may result in the purchaser reducing their offer or withdrawing completely.

5 Financial implications

- 5.1 Disposing of the asset for the sale price will generate a significant capital receipt in 2026/27. This will be used to reduce the Council's Capital Financing Requirement (CFR) and thus reduce the Minimum Revenue Provision (MRP) charge to Revenue Budget in 2027/28 and beyond. This is in line with the Statutory Direction to reduce debt. It will also avoid the future decline in the value of the asset and the ongoing annual loss.
- 5.2 Financial analysis, relating to the terms of the disposal, can be found in confidential Appendix 5 of this report.
- 5.3 Not disposing of this asset in 2026/27 would have significant financial implications for the new West Surrey Council in terms of not reducing its Minimum Revenue Provision (MRP) in line with the current Medium-Term Financial Strategy (MTFS) projections and thereby increasing revenue budget costs because of higher financing costs.

6 Legal comments

- 6.1 Further to sections 120-123 of the Local Government Act 1972, the Council has the powers to acquire and dispose land and property subject to complying with the certain statutory requirements, one of which is securing the best consideration that can reasonably be obtained. To satisfy the best consideration requirement, an independent valuation and advice are strongly advisable.
- 6.2 Any disposal will be subject to the terms of the contract, transfer and any other necessary legal documentation. The Council's in-house Legal Services will support the sale with external legal advice.
- 6.3 Failure to obtain best consideration from the proposed disposal may expose the Council to risk of legal challenge by way of a judicial review which will result in substantial legal costs and reputational damage.
- 6.4 In accordance with part 3(b) of the Constitution decisions on freehold disposal of investment assets are within the remit of Corporate Policy and Resources Committee. In view of the wider budgetary implications and the impact of each capital receipt on the Council's Treasury Management Strategy, this disposal is referred to Council for final approval.

Corporate Implications

7 Commissioners' comments

- 7.1 Commissioners strongly support the recommendations of this report, as they
- align with the directions issued to the Council by the Secretary of State on 8 May 2025;
 - align with the principle of asset rationalisation agreed by Council on 17 November 2025;
 - enable the council to deliver on the 26/27 budget and reduce the risk of a need to make further savings during the current financial year; and
 - support the delivery of the MTFS over subsequent years and the sustainability of West Surrey Council and therefore reduce the risk to West Surrey residents of future cuts to services

8. S151 Officer comments

- 8.1 The Section 151 Officer confirms that all relevant financial implications have been identified and evaluated. The S151 Officer strongly supports the recommendation for disposal at the proposed price, particularly as it is above the target range for the asset, and as this is consistent with the approved decision of the Council in December 2025 to undertake an investment asset rationalisation programme in compliance with the statutory Best Value Direction and is consistent with improving the Medium-Term financial sustainability of Spelthorne/West Surrey Councils, both by bringing to an end the ongoing net holding cost of the asset and by reducing future MRP.

9. Monitoring Officer comments

- 9.1 The Monitoring Officer has been consulted on this report and confirms that subject to the matters set out in the report, and provided that all applicable statutory requirements (including Best Value Directions of May 2025) have been addressed and proper process is followed, the proposal can be considered legally compliant.

10. Procurement comments

- 10.1 There are no procurement implications arising directly from the recommendations in this report.

11 Equality and Diversity

- 11.1 There are no direct equality and diversity issues arising from a property disposal as the sale doesn't impact the current operation of or occupiers of the asset. The marketing, viewing and bidding process was undertaken ensuring there was no discrimination against prospective buyers.

12. Sustainability/Climate Change Implications

- 12.1 12 Hammersmith Grove, has an EPC rating of C, which comply with The Energy Performance of Buildings (England and Wales) Regulations 2012.

13. LGR / other considerations

- 13.1 Not disposing of this asset in 2026/27 would have significant financial implications for the new West Surrey Council in terms of not reducing its MRP in line with the current MTFS projections and thereby increasing revenue budget costs because of higher financing costs. In turn this will mean the reserves Spelthorne will be passing across to West Surrey will be used up more rapidly. This would prejudice the financial resilience of West Surrey Council and would have a significant impact on West Surrey's budget setting. Consequently, this is very likely to adversely affect their ability to continue to maintain services currently provided by Spelthorne Borough Council.
- 13.2 This property is anticipated to provide a negative contribution to the Council's/West Surrey Council's revenue budget over the next six years, if it is not disposed of.

14. Timetable for implementation

- 14.1 Following consideration by this Committee, this proposed disposal will be presented to Council on 17th September 2026 for final decision.

15. Contact

- 15.1 Coralie Holman Group Head Assets c.holman@spelthorne.gov.uk

Appendix 1 – Marketing Brochure - Public

Appendix 2 – Heads of Terms – Exempt

Appendix 3 – Schedule of Bids received - Exempt

Appendix 4 – Summary of information to support recommendation - Exempt

Appendix 5 – Summary financial information – Exempt

Appendix 6 – Knight Frank Disposal Recommendation - Exempt

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

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Spelthorne Borough Council Services Committees Forward Plan

This Forward Plan sets out the decisions which the Service Committees expect to take over the forthcoming months.

Please direct any enquiries about this Plan to CommitteeServices@spelthorne.gov.uk.

Spelthorne Borough Council

Service Committees Forward Plan and Key Decisions for 12 October 2026 to 31 March 2027

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
Corporate Policy and Resources Committee 12 10 2026 Council 22 10 2026	Future of Knowle Green Estates	Key Decision	Private	Coralie Holman, Group Head - Assets
Corporate Policy and Resources Committee 12 10 2026 Council 22 10 2026	Communications House	Key Decision	Part public/part private	Coralie Holman, Group Head - Assets
Corporate Policy and Resources Committee 12 10 2026	Equality, Diversity and Inclusivity - Governance Assurance	Non-Key Decision	Public	Sandy Muirhead, Group Head - Commissioning and Transformation, Lee O'Neil, Deputy Chief Executive
Corporate Policy and Resources Committee 12 10 2026	Financial Management - Governance Assurance	Non-Key Decision	Public	Altin Bozhani, Interim Deputy Chief Finance Officer, Lee O'Neil, Deputy Chief Executive
Corporate Policy and Resources Committee 12 10 2026 Council 22 10 2026	12 Hammersmith Grove	Key Decision	Part public/part private	Coralie Holman, Group Head - Assets

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Corporate Policy and Resources Committee 12 10 2026	Procurement of LGR Resource	Key Decision	Public	Terry Collier, Deputy Chief Executive
Corporate Policy and Resources Committee 12 10 2026	Write Offs - Sundry Debts and Housing Benefits	Key Decision	Part public/part private	Sandy Muirhead, Group Head - Commissioning and Transformation, Karen Sinclair, Group Head - Community Wellbeing
Corporate Policy and Resources Committee 12 10 2026	Proposed Server Procurement	Key Decision	Public	Alistair Corkish, ICT Manager
Corporate Policy and Resources Committee 12 10 2026	Procurement of Housing Delivery Resource	Key Decision	Public	Terry Collier, Deputy Chief Executive
Corporate Policy and Resources Committee 30 11 2026	BCP/ER - Governance Assurance	Key Decision	Public	Sandy Muirhead, Group Head - Commissioning and Transformation, Lee O'Neil, Deputy Chief Executive
Corporate Policy and Resources Committee 30 11 2026	Medium Term Financial Strategy Refresh	Key Decision	Public	Altin Bozhani, Interim Deputy Chief Finance Officer, Terry Collier, Deputy Chief Executive
Corporate Policy and Resources Committee 30 11 2026	IRP Delivery - Governance Assurance	Non-Key Decision	Public	Linda Heron, Group Head - Corporate Governance, Monitoring Officer, Lee O'Neil, Deputy Chief Executive

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Corporate Policy and Resources Committee 30 11 2026	Procurement and Contract Management - Governance Assurance	Non-Key Decision	Public	Linda Heron, Group Head - Corporate Governance, Monitoring Officer, Lee O'Neil, Deputy Chief Executive
Corporate Policy and Resources Committee 30 11 2026	Revised proposals for Development of the mezzanine floor of Eclipse Leisure Centre	Non-Key Decision	Public	Kamal Mehmood, Strategic Lead for Leisure and Community Development
Corporate Policy and Resources Committee 30 11 2026	Eclipse Leisure Centre Capital Outturn	Non-Key Decision	Public	Coralie Holman, Group Head - Assets
Corporate Policy and Resources Committee 30 11 2026 Council 10 12 2026	Improvement and Recovery Plan Progress Update	Key Decision	Public	Gordon Mitchell, Interim Chief Executive
Corporate Policy and Resources Committee 30 11 2026 Council 10 12 2026	Elmsleigh Shopping Centre	Key Decision	Part public/part private	Coralie Holman, Group Head - Assets
Corporate Policy and Resources Committee 30 11 2026 Council 10 12 2026	Improvement and Recovery Plan Update	Key Decision	Public	Nic Fell, Programme Director

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Corporate Policy and Resources Committee 30 11 2026	Q2 Capital & Revenue Monitoring Report	Non-Key Decision	Public	Altin Bozhani, Interim Deputy Chief Finance Officer
Corporate Policy and Resources Committee 30 11 2026	Q2 2026/27 Performance Report	Key Decision	Public	Sandy Muirhead, Group Head - Commissioning and Transformation, Timothy Snook, Sustainability & Resilience Lead
Council 10 12 2026	Heathrow Airport Ltd Expansion Plans & Member Engagement	Key Decision	Public	Laura Richardson, Joint Interim Service Lead for Strategic Planning
Corporate Policy and Resources Committee 30 11 2026	Corporate Policy and Resources Committee KPI Update	Key Decision	Public	Sandy Muirhead, Group Head - Commissioning and Transformation, Timothy Snook, Sustainability & Resilience Lead
Corporate Policy and Resources Committee 18 01 2027	BCP/ER - Governance Assurance	Non-Key Decision	Public	Sandy Muirhead, Group Head - Commissioning and Transformation, Lee O'Neil, Deputy Chief Executive
Corporate Policy and Resources Committee 18 01 2027	Equality, Diversity and Inclusivity - Governance Assurance	Non-Key Decision	Public	Sandy Muirhead, Group Head - Commissioning and Transformation, Lee O'Neil, Deputy Chief Executive
Corporate Policy and Resources Committee 18 01 2027	Financial Management - Governance Assurance	Non-Key Decision	Public	Altin Bozhani, Interim Deputy Chief Finance Officer, Lee O'Neil, Deputy Chief Executive

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Corporate Policy and Resources Committee 18 01 2027	Fraud - Governance Assurance	Non-Key Decision	Public	Linda Heron, Group Head - Corporate Governance, Monitoring Officer, Lee O'Neil, Deputy Chief Executive
Corporate Policy and Resources Committee 08 02 2027	Cyber Resilience - Governance Assurance	Non-Key Decision	Public	Sandy Muirhead, Group Head - Commissioning and Transformation, Lee O'Neil, Deputy Chief Executive
Corporate Policy and Resources Committee 08 02 2027 Council 25 02 2027	Improvement and Recovery Plan Progress Update	Non-Key Decision	Public	Gordon Mitchell, Interim Chief Executive
Corporate Policy and Resources Committee 08 02 2027	IRP Delivery - Governance Assurance	Non-Key Decision	Public	Linda Heron, Group Head - Corporate Governance, Monitoring Officer, Lee O'Neil, Deputy Chief Executive
Corporate Policy and Resources Committee 08 02 2027	Organisational Resilience - Governance Assurance	Non-Key Decision	Public	Sandy Muirhead, Group Head - Commissioning and Transformation, Lee O'Neil, Deputy Chief Executive
Corporate Policy and Resources Committee 08 02 2027	Procurement and Contract Management - Governance Assurance	Non-Key Decision	Public	Linda Heron, Group Head - Corporate Governance, Monitoring Officer, Lee O'Neil, Deputy Chief Executive
Corporate Policy and Resources Committee 08 02 2027	Programme and Change Management - Governance Assurance	Non-Key Decision	Public	Sandy Muirhead, Group Head - Commissioning and Transformation, Lee O'Neil, Deputy Chief Executive

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Corporate Policy and Resources Committee 08 02 2027	Q3 Capital & Revenue Monitoring Report	Non-Key Decision	Public	Altin Bozhani, Interim Deputy Chief Finance Officer
Corporate Policy and Resources Committee 08 02 2027 Council 25 02 2027	Improvement and Recovery Plan Update	Key Decision	Public	Nic Fell, Programme Director
Corporate Policy and Resources Committee 08 02 2027	Corporate Policy and Resources Committee KPI Update	Key Decision	Public	Sandy Muirhead, Group Head - Commissioning and Transformation, Timothy Snook, Sustainability & Resilience Lead

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To: Gordon Mitchell, Interim Chief Executive

From: Sian Bowen, Principal Asset Manager

Date: 4 September 2026

URGENT ACTION TO APPROVE

1. Electricity Contract for the Investment Portfolio

The Council's Constitution requires the award of contracts over the Procurement Act 2023 threshold to be approved by the relevant Service Committee. Each Committee is limited in authority to grant expenditure to £1million. If expenditure is anticipated to exceed £1million a recommendation is to be made to full Council to make a decision.

Corporate Policy and Resources Committee's areas of responsibility include Investment Assets.

For all assets within the Council's commercial portfolio i.e. the Investment Assets, the Council holds responsibility as landlord for the provision of a contract to supply electricity to each building. The current contract expires on 30th September 2026 and was procured directly by the Council's managing agent Cushman & Wakefield.

As a result of the significant energy fluctuations due to geopolitical events over the last 6 months, it has not been beneficial for the Council and its tenants to agree a strategy for the renewal of the energy contract for the Commercial assets at an earlier date.

As the existing contract expires on 30 September 2026, it is essential the Council continue to ensure the supply of electricity to the buildings. Failure to enter into a new contract will result in all properties being placed on an emergency tariff which could have a significant detrimental financial impact on the Council's tenants. It is estimated that the value of this contract is approximately £2.4m per annum, with all costs bar any vacant space re-charged to the individual tenants in the building.

The next scheduled Corporate Policy and Resources Committee is on 8 September 2026 and therefore the Group Head of Assets considers a request should be made for an Urgent Action Recommendation. This can then be noted at the next Corporate Policy and Resources Committee on 12 October 2026 and a recommendation made to the next Council meeting on 17 September 2026 for final approval add these commercial assets to the existing contract.

What is the situation	Why we want to do something
- The current contract with Smartest Energy expires on 30th September 2026. - The Council now needs to enter into a new contract to ensure that we are not at risk of large price increases, from out of contract rates.	- The Council is required under the terms of its leases to provide electricity at the buildings. - To ensure that the Council and its Tenants continue to have competitive energy pricing and very strong budget certainty whilst keeping our prices as

The properties that are proposed for inclusion within this contract are Thames Tower, Porter Building, Charter Building, 12 Hammersmith Grove, 33 Hanworth Road, Communications House and Elmbrook House. If any are sold before 1st October, they will be removed from the new contract.	low as possible and with less seasonal fluctuations.
This is what we want to do about it	These are the next steps
Complete a Direct Award under the LASER framework for KCC LASER to procure our electricity for the commercial portfolio, for a period to September 2028 (if a property is sold, it will be removed from the contract).	It is recommended the Council now adds these commercial properties to the KCC LASER for the supply of electricity for all commercial assets.

1.0 Key issues

- 1.1 Cushman and Wakefield, our managing agents for the Commercial portfolio have previously procured the electricity contract. The current contract with Smartest Energy expires on 30 September 2026.
- 1.2 The electricity contract is for Thames Tower, Porter Building, Charter Building, 12 Hammersmith Grove, 33 Hanworth Road, Communications House and Elmbrook House (Commercial Assets) and is for the common areas of these properties, for example lifts, reception areas and stairwells and is fully recoverable via the service charge. It is also for each tenant demise which is fully rechargeable and recoverable.
- 1.3 As a result of geopolitical events and price fluctuations in energy over the last 6 months, it has not been possible to consider the re-tender of this contract any sooner. Failure to enter into a new contract by 1 October 2026 will necessitate the properties being placed onto an “emergency tariff” which may result in price increases estimated to be more than 30% higher than the current and proposed new tariffs.
- 1.4 The contract is estimated to have a value of c. £2.4m which is fully recoverable, except for Landlords void areas, which is budgeted for in each asset's annual revenue budget. This annual cost will reduce as we move through the Asset Rationalisation programme.
- 1.5 In order to ensure a fully compliant route to market under the Procurement Act 2023, a direct award under the LASER framework is the recommended route. The LASER contract has been reviewed by our Procurement team and confirmed to be fully compliant and presents the lowest risk of short-term

market volatility to the Council and comes with very strong budget certainty for our Tenants. This should help to keep our prices as low as possible and with less seasonal fluctuations.

- 1.6 LASER are a Local Authority trading company and have many public sector clients. They were established by Kent County Council in 1989 to collaboratively procure energy on behalf of the public sector and their framework has been established in accordance with the Public Contracts Regulations 2015. We understand that LASER collectively purchased over £1.5 billion of gas, electricity and water in 2022, on behalf of around 85,000 customers and therefore has a strong buying influence.
- 1.7 LASER is a Public Sector Buying Organisation and Kent County Council remains the Contracting Authority for all procurement frameworks established by LASER. LASER has set up a framework agreement of suppliers of gas and electricity. The new framework agreement (as with previous iterations of the same type of contract), has been tendered in a manner fully compliant with the Public Contracts Regulations (PCR) 2015 and allows other public bodies access to these suppliers.
- 1.8 All power purchased under this contract will be 100% renewable to comply with Spelthorne Borough Council and our Tenants Environmental and Social Governance.
- 1.9 Spelthorne Borough Council are currently in a contract with LASER for the municipal and KGE properties and have seen significant savings and it is proposed that these investment properties are added to this contract which expires in September 2028.
- 1.10 Whilst we are unable to confirm the exact contract price at this stage, LASER have confirmed that they would expect it to be on a parity with the current contract, subject to any unforeseen events occurring.

2. Options analysis and proposal

2.1 Do nothing – Not recommended

The electricity tariff will revert to an “emergency tariff” which may result in increased charges to our Tenants of c. 30%. This will increase costs for the service charge for each building and expose Spelthorne Borough Council to the scrutiny of service charge consultants who could challenge any increase in electricity costs and seek recourse.

2.2 Recommended

Authorise the Group Head of Assets to add these commercial assets to the existing LASER contract until September 2028 for the supply of electricity to the Council’s Investment Assets for a value up to £2.65m. This will result in a transparent and compliant route to secure a new electricity supplier and provide certainty beyond vesting day. It will also provide Spelthorne Borough Council with the security that our properties have competitively sourced and priced renewable electricity that will be defensible to our tenants and their consultants.

3. Financial implications

- 3.1 The contract is estimated to be c. £2.4m per annum. This cost is borne via the service charge and our tenants in each of their demises. The cost is fully recoverable, apart from any Landlord voids, where electricity usage is kept to a minimum.
- 3.2 Whilst we are unable to get confirmation of the exact rates until we enter the contract, indicatively, LASER have suggested they will be on a parity with the existing contract.
- 3.3 Landlords void spaces are fully budgeted for in each assets annual budget.
- 3.4 The financial implications could be significant if the Council do not enter into a new contract before 1 October 2026 and the budget of £2.4m pa could rise by 30%.

4 Recommendation

To add the properties from within the commercial property portfolio to the current LASER contract as soon as possible to ensure that the Council and its Tenants are protected from significant increases in electricity from 1 October 2026.

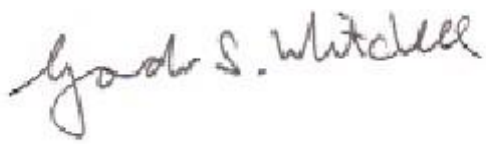
Under Paragraphs 25 to 27 of Part 3(a) of the Council's Scheme of Delegations... "To enable an urgent decision to be made, the Chief Executive has delegated power to take any decision which is so urgent that it cannot wait until the next scheduled meeting of the Council or relevant Committee and where the decision is not in contravention of established policies. In following this procedure, the Chief Executive is required to consult with the relevant Committee Chair and Vice-Chair. The use of such urgent action must be reported to the next relevant Committee meeting".

Please could you therefore confirm that you will give approval to authorise this urgent action to recommend to Council to delegate authority to the Group Head of Assets to add the commercial assets to the existing LASER contract as per the terms set out and for the Group Head of Corporate Governance to execute the associated legal documentation.

The relevant committee is Corporate Policy and Resources Committee, which will not meet until 12 October 2026, which is after the date of the expiry of the electricity contract. By approving this urgent action, it will allow for consideration at Council on 17 September 2026.

If you are minded to authorise this action, the Group Head of Assets will ensure that the action taken is noted at the next meeting of the Corporate Policy and Resources Committee and a report added to Council agenda on 17 September 2026.

I confirm that I give my approval to authorise this urgent action for the Council to add these commercial assets enter into the existing LASER contract as agreed by the Group Head of Assets and summarised in this note. I can confirm that I have consulted with the Chair and Vice Chair of the relevant Committee, and they are in full agreement.



Chief Executive

Date: 9 September 2026

I confirm agreement

.....
Chair of Corporate Policy and Resources Committee
Date:

I confirm agreement

.....
Vice Chair of Corporate Policy and Resources Committee

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