



Please reply to:

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Date: 16 January 2026

Notice of meeting

Commercial Assets Sub-Committee

Date: Monday, 26 January 2026

Time: 1.30 pm

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

To the members of the Commercial Assets Sub-Committee

Councillors:

S.N. Beatty
R. Chandler

L. E. Nichols
D. Saliagopoulos

H.R.D. Williams
Bunney

Substitute Members: Councillors T. Burrell, M. Gibson and M.M. Attewell

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

www.spelthorne.gov.uk customer.services@spelthorne.gov.uk Telephone 01784 451499

Agenda

Page nos.

1. Apologies for absence & substitutions

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

2. Minutes

5 - 22

To confirm as a correct record the minutes of the meetings held on 11 November 2025 and 15 December 2025.

3. Disclosure of Interest

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

4. Questions from members of the Public

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

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

5. Urgent Actions

To consider any urgent action that have arisen since last meeting.

6. Forward Plan

23 - 24

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

7. Exclusion of Public and Press (Exempt Business)

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

8. Disposal of A Commercial Office Asset

25 - 154

Committee is asked to:

1. Approve the offer and the proposed disposal in principle and recommend that the Corporate Policy and Resources Committee support the disposal of this commercial asset, prior to recommending for approval by Full Council.

2. Delegate authority to the Chief Financial Officer and Group Head of Assets, in consultation with the Chair and Vice-Chair of the Corporate Policy and Resources Committee and the Chair and Vice-Chair of the Commercial Assets Sub-Committee to agree the sale of the property at the agreed price or negotiate a sale price within a tolerance of 10% of the value and agree any variations to the Heads of Terms.
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.

The Appendices of this report 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 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 in any contract or other type of negotiation with a prospective purchaser who could then know the position of the Council.

9. Commercial Portfolio Update

To Follow

To receive an update on properties within the Commercial portfolio.

This update 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 in any contract or other type of negotiation with a prospective purchaser who could then know the position of the Council.

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Minutes of the Commercial Assets Sub-Committee

17 November 2025

Present:

Councillor L. E. Nichols (Chair)
Councillor S.N. Beatty (Vice-Chair)

Councillors:

R. Chandler H.R.D. Williams
D. Saliagopoulos

Independent Member: M. Bunney

91/25 Apologies for absence & substitutions

No apologies were received.

Councillor Williams advised he would need to leave the meeting for half an hour.

92/25 Minutes

The Committee briefly entered into private session to discuss content in the confidential minutes.

The minutes of the meetings held 15 September 2025 and 29 September 2025 were agreed as a correct record.

93/25 Disclosure of Interest

Councillor Williams advised he was employed part-time at a unit in the Elmsleigh Centre.

Mark Bunney, Independent Member of the Sub-Committee, advised he was employed by Knight Frank Investment Management LLP, a wholly owned subsidiary of Knight Frank LLP, and would not provide an opinion or view on matters where Knight Frank had provided valuation.

94/25 Questions from members of the Public

There were none.

95/25 **Urgent Actions**

There were none.

96/25 Forward Plan

The Committee received the forward plan for future Committee Business.

The Committee were advised that the Hammersmith Grove Strategy should be removed from the plan.

The Committee were anticipated to receive business plans in early 2026. The Chair requested the Committee be able to view a sample ahead of formal presentation.

The Sub-Committee **resolved** to note the Forward Plan.

97/25 Exclusion of Public and Press (Exempt Business)

It was proposed by Councillor Beatty, seconded by Councillor Williams and **resolved** to exclude the public and press for the following agenda items, in accordance with paragraph 3 of part 1 of Schedule 12A of the Local Government Act 1972 (as amended) because it was likely to disclose 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 the disclosure to the public would prejudice the financial position of the authority in being able to undertake even handed negotiations and finalising acceptable contract terms.

98/25 Lease Renewal - Unit in Elmsleigh Shopping Centre, Staines-upon-Thames TW18 4QB

Councillor Williams left the meeting at 13:46.

The Sub-Committee considered a lease renewal to an existing tenant in the Elmsleigh Centre.

The Principal Asset Manager summarised the terms of the lease as well as the financial risks and benefits of approving the lease renewal.

The Sub-Committee noted the benefit of keeping the tenant within the Elmsleigh Centre.

The Sub-Committee **resolved** to:

1. Approve the lease renewal to the existing tenant as set out in the report and Appendix 1;

2. Authorise the Group Head of Assets in consultation with the Chair and Vice-Chair of the Commercial Assets Sub-Committee to agree to any variations to the proposed terms; and
3. Authorise the Group Head of Corporate Governance to enter into the Lease and any associated legal documentation.

99/25 Lease Regear - Thames Tower, Reading

The Sub-Committee considered a proposed reversionary lease for a tenant within Thames Tower, Reading.

The Investment Asset Manager summarised the terms of the lease as well as the financial risks and benefits of approving the lease versus re-letting the space.

The Sub-Committee **resolved** to:

1. Approve the proposed reversionary lease on the terms set out in the report;
2. Authorise the Group Head of Assets in consultation with the Chair and Vice-Chair of the Commercial Assets Sub-Committee to agree to any variations to the proposed terms; and
3. Authorise the Group Head of Corporate Governance to enter into the Lease and any associated legal documentation.

100/25 Variation of Lease Terms

The Sub-Committee considered a variation for lease terms for a tenant within the Commercial Portfolio.

Councillor Williams returned to the meeting at 14:13.

The Asset Manager set out the history of the tenant. The terms of the lease were summarised as well as the financial risks and benefits of approving the variation versus re-letting the space.

The Sub-Committee **resolved** to:

1. Approve the variation to the lease terms as set out in the report;
2. Authorise the Group Head of Assets in consultation with the Chair and Vice-Chair of the Commercial Assets Sub-Committee to agree any variations to the proposed terms (if required); and
3. Authorise the Group Head of Corporate Governance to enter into the deed of variation and any ancillary legal documentation.

101/25 Commercial Portfolio Update

The Sub-Committee received updates on the rent collection, arrears and voids within the Commercial Portfolio.

Councillor Saliagopoulos left the meeting at 14:29 and returned at 14:31.

The Sub-Committee **resolved** to note the updates.

102/25 Asset Rationalisation Update

The Sub-Committee received an update on Asset Rationalisation from the Group Head Assets.

The report requesting approval to undertake a procurement exercise to assist with Asset Rationalisation had been approved by the Corporate Policy and Resources Committee. A further update would be provided to the Committee in early 2026.

The Sub-Committee **resolved** to note the update.

Meeting ended 14:54

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

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**Minutes of the Commercial Assets Sub-Committee
15 December 2025**

Present:

Councillors:

S.N. Beatty	L. E. Nichols	H.R.D. Williams
R. Chandler	D. Saliagopoulos	

103/25 Apologies for absence & substitutions

Apologies were received from Councillor Beecher.

104/25 Minutes

The minutes of the meeting held 17 November 2025 were agreed.

105/25 Disclosure of Interest

Councillor Williams advised he was employed part-time at a unit in the Elmsleigh Centre.

Mark Bunney, Independent Member of the Sub-Committee, advised he was employed by Knight Frank Investment Management LLP, a wholly owned subsidiary of Knight Frank LLP, and would not provide an opinion or view on matters where Knight Frank had provided valuation.

106/25 Questions from members of the Public

There were none.

107/25 Urgent Actions

There were no urgent actions to be considered.

108/25 Forward Plan

The Committee **resolved** to note the Forward Plan.

109/25 Exclusion of Public and Press (Exempt Business)

It was proposed by Councillor Beatty, seconded by Councillor Chandler and **resolved** to exclude the public and press for the following agenda items, in accordance with paragraph 3 of part 1 of Schedule 12A of the Local Government Act 1972 (as amended) because it was likely to disclose 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 the disclosure to the public would prejudice the financial position of the authority in being able to undertake even handed negotiations and finalising acceptable contract terms.

110/25 Commercial Portfolio Update

The Sub-Committee received updates on the Council's Commercial Portfolio from the Assets Team.

The Sub-Committee **resolved** to note the updates.

111/25 Annual Investment Service Plans

The Sub-Committee **resolved** to note the Annual Service Plan for the Investment Portfolio for the period 01 April 2026 to 31 March 2027.

112/25 Property management contract for Elmsleigh Shopping Centre

The Sub-Committee considered a report that sought approval for the re-tendering of the property management contract for the Elmsleigh Shopping Centre, Staines-upon-Thames.

The Sub-Committee were advised that it was proposed that an open tender process be commenced for a 2 + 1 year contract in January and that a recommendation would be brought to the Sub-Committee in April/May. Details of the tender would be placed on the government tender website to encourage smaller companies to submit a tender.

The Sub-Committee **resolved** to:

1. Authorise the Group Head of Assets to commence the procurement process for the selection of a property management agent for the Elmsleigh Shopping Centre in accordance with the terms of this report,
2. Authorise the Group Head of Assets in consultation with the Chair of Commercial Assets Sub-Committee to select the preferred tenderer and award a property management contract for the period of 2 years plus 1 year extension; and

3. Authorise the Group Head of Corporate Governance to enter into the contract.

The meeting closed 14:26

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

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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, and identifies those which are **Key Decisions**.

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

Spelthorne Borough Council

Commercial Assets Sub-Committee Forward Plan

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 09 02 2026	Disposal of A Commercial Office Asset	Key Decision	Private	Katherine McIlroy, Asset Manager
Commercial Assets Sub-Committee 23 02 2026	Assets Business Plans	Key Decision	Private	Sian Bowen, Principal Asset Manager
Commercial Assets Sub-Committee 23 02 2026	Cladding Repair, Thames Tower	Key Decision	Public	Mark Stanton, Investment Asset Manager
Commercial Assets Sub-Committee 16 03 2026	Appointment of EPC Advisors	Key Decision	Public	Katherine McIlroy, Asset Manager
Commercial Assets Sub-Committee 13 04 2026	Presentation from Appointed Advisors of Asset Rationalisation Programme	Key Decision	Public	Coralie Holman, Group Head - Assets



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	4/12/2025
Commissioner engagement (if report focused on issues of concern to Commissioners such as Finance, Assets etc)	PR	5/1/2026
Relevant Group Head review	CH	22/12/2025
MAT+ review (to have been circulated at least 5 working days before Stage 2)	Yes	6/1/2026
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	15/12/25
Legal comments (circulate to Legal team)	AP	15/12/25
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
Monitoring Officer commentary – at least 5 working days before MAT	L Heron	02/01/26
S151 Officer commentary – at least 5 working days before MAT	T. Collier	16/12/25
Confirm final report cleared by MAT	K. McIlroy	6/1/2026

Commercial Assets Sub-Committee

Monday 26th January 2026

Title	Disposal of a Commercial Office Asset
Purpose of the report	To make a recommendation to Corporate Policy and Resources Committee in respect of the disposal of the asset.
Report Author	Katherine McIlroy – Investment Asset Manager
Ward(s) Affected	All Wards
Exempt	Report – No Appendices - Yes
Exemption Reason	The Appendices 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 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 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: <ol style="list-style-type: none">Approve the offer and the proposed disposal in principle and recommend that the Corporate Policy and Resources Committee support the disposal of this commercial asset, prior to recommending for approval by Full Council.Delegate authority to the Chief Financial Officer and Group Head of Assets, in consultation with Chair and Vice Chair of Corporate Policy and Resources Committee and the Chair and Vice Chair of Commercial Assets Sub Committee to agree the sale of the property at the agreed price or negotiate a sale price within a tolerance of 10% of the value and agree any variations to the Heads of Terms.

	<p>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.</p>
Reason for Recommendation	<p>The disposal will contribute towards the financial resilience of the Council, by generating a capital receipt and help relieve pressure on the Council's revenue budget and medium-term financial plan. The disposal is consistent with the Council's Best Value statutory directions. The Council has a statutory obligation to achieve best consideration from its land and property disposals.</p>

1. Executive summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> The Council owns a large portfolio of land and assets, which are held for a variety of purposes and has a statutory responsibility to achieve best consideration from all its property holdings and deliver Best Value in the way the Council exercises its functions. The Council have a recently adopted the Improvement and Recovery Plan (IRP) in a response to the Directions issued under Part 1 of the Local Government Act 1999. The IRP focuses on the Council's commitment to achieve long-term financial stability. Reducing the Council's commercial property portfolio is central to the IRP. 	<ul style="list-style-type: none"> The Council has a statutory obligation to achieve best consideration in relation to its land and property disposals and this directs the Council to focus on financial resilience within its decision making, including disposing of assets, when possible, to relieve pressure on the annual revenue budget resultant from financing and holding costs from vacant sites. A number of the Council's land and property sites are not performing and will be brought forward for proposed sale under the emerging Asset Rationalisation Plan to generate capital receipts. The business plan for this property identifies significant holding costs over the next 6 years providing a burden on the Council's revenue budget.
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> The Council has received an off market offer for the property. The Council is seeking to dispose of the property to the prospective buyer as soon as possible to limit holding costs to the Council and generate a capital receipt. 	<ul style="list-style-type: none"> Take a recommendation to Corporate Policy and Resources Committee to agree in principle to the proposed disposal.

2. Key issues

- 2.1 Details of the property acquisition can be found in the confidential part of this report, within Appendix A. The purchase price reflected the office market pre-Covid and a fully let building to tenants of high financial strength. Due to economic and geopolitical reasons, the building has been vacant since November 2022. Since which time the Council has been incurring the substantial annual holding costs, set out in Appendix A.
- 2.2 In an effort to provide a different type of office building to others in the local area, in 2023 the Council refurbished the ground floor accommodation to meet specific occupier requirements within the market place. The refurbishment project involved creating Category A office suites, a new business lounge, new shower/changing facilities, improved WC facilities, refurbished common areas bike store and EV charging points. Despite this substantial investment only a single letting has been secured equating to approximately 24% of the building. Whilst additional income is received from two car park licences, the building continues to have a substantial negative impact on the Council's revenue budget. Full tenancy details are attached as Appendix B.
- 2.3 The property has been actively advertised to let through joint agents since 2022. Despite the substantial refurbishment of the ground floor there has been limited interest and there is currently no serious interest. Should any future interest be received in the first floor offices this will require a full refurbishment at a cost of at least £1.65m, due to non-functioning M&E and dated interiors. Despite the Council and our appointed joint agents' best endeavours, the building remains 76% vacant. This is not aided by the high vacancy rate locally. The prospects for letting the property and materially reducing the void rate in the short-term are low.
- 2.4 The Council have recently adopted an Improvement and Recovery Plan (IRP) in a response to the Directions issued under Part 1 of the Local Government Act 1999. The IRP focuses on the Council's commitment to achieve long-term financial stability of which a key requirement is rationalisation of the Council's commercial asset portfolio. This report sets out the details of an 'off market' offer that has been received to purchase the asset, however it is anticipated due to the high vacancy rate had this offer not been received, the asset would have been a high priority disposal consideration under the Council's asset rationalisation strategy.

Asset Performance

- 2.5 The property has been identified as an underperforming asset. In the financial year to 31 March 2025 it negatively contributed to the revenue budget with the property income insufficient to cover the operating and financing costs. It has seen a 69% fall in value since acquisition in 2017/18 due to the declining occupational interest in the site, resulting in reduced income, increased empty property costs and lack of certainty around any substantial improvement in this position. There are no realistic prospects of the asset's value returning to its purchase price.

Future Letting prospects

- 2.6 Based upon current market conditions it is forecast that the property will not be fully let until December 2027 at the earliest, resulting in ongoing holding costs. Furthermore, the refurbishment cost of the 1st floor, rent free and/or capital incentives offered to ingoing tenants and letting costs will produce an increased net operating loss, before finance costs for the years 2026/27 and 2027/28. After the application of the higher minimum revenue provision costs, the property will make a substantial underlying loss on an ongoing basis, adding significant financial burden to the Council's revenue budget.
- 2.7 The South-East office market continues to be challenging with limited occupier demand that favours 'super prime' space in town centre locations. Office supply in the South-East is 11% above the 5-year average with a particularly high vacancy rate in the immediate area.

Asset Disposal and Current Value

- 2.8 Poor letting prospects and a high void rate in the locality have affected investment values and resulted in a significant number of freehold sale transactions in the immediate locality in the last 12 months. It is likely that these transactions will be reflected in a further decline in the annual asset valuation that Knight Frank will undertake for the 31 March 2026 accounts. A copy of the 31st March 2025 valuation by Knight Frank is attached as Appendix C.
- 2.9 The Council have not been marketing the freehold of the property however have received an 'off market' approach from a company who have other interests within the vicinity of the subject property and another offer from another owner who sought the premises for their own occupation. The offer from the prospective buyer is attached in Appendix D.
- 2.10 As a result of this interest, the Council appointed Vail Williams LLP to advise on the proposed transaction and negotiate Heads of Terms (please see Appendix E). The Head of Terms of sale have been agreed by the purchaser and a summary of the transaction is detailed in Appendix A. There are no onerous conditions to the sale which may affect price other than the standard satisfaction with the title, legal due diligence and contract terms.
- 2.11 The Council has a statutory responsibility to achieve best consideration from all its property holdings and to demonstrate that the offer met these statutory responsibilities, Cluttons LLP have been employed to independently value the property in accordance with RICS Valuation – Global Standards known as the 'Red Book'. The independent valuation demonstrates the offer for the property exceeds market value and provides comfort that the Council has achieved best value. The full valuation report is attached as Appendix F.
- 2.12 Selling the property will generate a capital receipt, which the Council will apply to repay loans and reduce future years' MRP charges associated with the site. This will relieve pressure on the Council's revenue budget due to reducing financing costs and removal of on-going vacant property costs arising from this asset.
- 2.13 The disposal is in line with the Improvement and Recovery Plan which seeks to reduce the Council's exposure to commercial property risk and debt. The

Council has a statutory direction to rationalise the asset portfolio and the Asset Manager has prepared a proforma for this purpose (Appendix A).

3 Options appraisal and proposal

3.1 Option 1 – Approve the offer in principle and recommend that Corporate Policy and Resources Committee approve the proposed sale (recommended)

The offer is considered to exceed the current market value. This has been validated following an independent 'Red Book' valuation undertaken by Cluttons LLP. The sale will save the Council substantial revenue budget costs in 2026/27 which is currently having a negative impact on the Council's financial position.

3.2 Option 2 – Decline the offer and openly market the property

Openly marketing the site is not expected to achieve a higher sale price. Vail Williams, the Council's appointed agent, have approached other parties who may have an interest in acquiring the property, but they have declined to make an offer. The proposed purchaser has a special interest in purchasing the property and has offered above the market value as evidence by the independent valuation undertaken by Cluttons. There is no evidence to support a higher sale price if we conduct an open market disposal. The Council will continue to incur costs for holding the vacant office for each month that the property sale is delayed. There is a high risk of losing the buyer if the Council does not accept the offer. This option is not recommended.

3.3 Option 3 – Hold the property.

The Council has been given clear statutory direction from Government to reduce debt and improve financial resilience. As a result the Council has been instructed to produce an asset rationalisation strategy. This property is anticipated to provide a negative contribution to the Council's revenue budget over the next six years, so this option is not recommended.

4 Risk implications

4.1 The prospective buyer is a private investor with a substantial UK portfolio. The purchasing entity will be a newly registered UK company (Special Purchase Vehicle 'SPV'). Vail Williams and the Clyde & Co will undertake the mandatory money laundering checks on the SPV 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 Manager and Vail Williams.

4.2 There is the risk that by not marketing we could be missing out on a higher offer. However, as the report details, the offer is above the valuation and likely sale price if marketed openly based on current market guidance.

4.3 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.

4.4 It is financially advantageous to complete by 31 March 2026, however, until the legal process is significantly progressed there is the risk of slippage on timings. The buyer is familiar with the locality due to existing ownerships which should reduce the risk of delays to the sale. Regular dialogue and meetings between the sales agents, the Council and the legal representatives will take place to ensure a speedy and smooth sale process.

5.0 Financial implications

Please refer to the confidential Appendix G

6.0 Legal comments

6.1 Further to sections 120-123 of the Local Government Act 1972, the Council has the powers to acquire and dispose of subject to complying with the certain statutory requirements, one of which is securing the best consideration that can reasonably be obtained. In order 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 Any disposal must meet the requirements of Best Value Duty under the provisions of the Local Government Act 1999.

6.4 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.

Corporate implications

7. S151 Officer comments

7.1 The S151 Officer confirms that all financial implications have been taken into account and that the proposal represents value for money with offer price exceeding Red Book value, and that the disposal would make a positive contribution towards the Council's Asset Rationalisation programme. The disposal offer price is higher than the asset rationalisation modelling had estimated.

8. Monitoring Officer comments

8.1 The Monitoring Officer confirms that the relevant legal implications have been taken into account.

9. Procurement comments

9.1 Vail Williams and Cluttons were procured to advise on the sale of the property.

- 9.2 To comply with the Contract Standing Order Procedural Rules for contracts with a value between £5,000 and £30,000 three quotations were obtained for each of the consultant roles referred to above and approval to award the contract was given by Group Head. Additional support from the Procurement Team was not necessary due to the value of the contracts.
- 9.3 Cluttons LLP were appointed as independent valuer on the basis that they have had no previous involvement in the Council's commercial portfolio.

10 Equality and Diversity

- 10.1 There are no direct equality and diversity issues arising from a property disposal.

11. Sustainability/Climate Change Implications

- 11.1 The property has a valid EPC rating of B & C which complies with The Energy Performance of Buildings (England and Wales) Regulations 2012.

12. Other considerations

- 12.1 There are none.

13. Timetable for implementation

- 13.1 If recommended for approval by this Committee, it will be presented for recommendation to Council by Corporate Policy and Resource Committee on 9th February 2026.

14. Contact

- 14.1 Katherine McIlroy, Investment Asset Manager k.mcilroy@spelthorne.gov.uk

Background papers: There are none.

Appendices:

Appendix A – Asset Rationalisation Proforma

Appendix B – Tenancy Schedule

Appendix C – Knight Frank Valuation 31st March 2025

Appendix D – Offer Letter

Appendix E – Heads of Terms of sale

Appendix F - Cluttons 'Red Book' Valuation Report

Appendix G – Financial Implications including Income & Expenditure 6 Year Forecast.

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