SPELTHORNE BOROUGH COUNCIL

Please reply to:

Contact:	Karen Wyeth
Service:	Committee Services
Direct Line:	01784 446341
E-mail:	k.wyeth@spelthorne.gov.uk
Date:	28 August 2026

Notice of meeting

Corporate Policy and Resources Committee

Date: Tuesday, 8 September 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, L. E. Nichols 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.

Agenda

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 Assurance Areas relating to Organisational Resilience (Appendix B) and Cyber Resilience (confidential Appendix C).

9. Petitions

To consider a petition received from Mr Alex Balkan asking the Council to:

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.

10. Urgent Actions

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 06 July 2026.

11. Residential Acquisitions for Housing Need **167 - 182**

The Committee is asked 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 Corporate Governance to enter all legal documentation relating to the acquisition referred to above.

The Committee is asked to:

1. Consider the proposed disposal terms as set out in this report (Exempt 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 the Chair and Vice Chair of the 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 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.

To consider the Forward Plan for committee business.

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

Agenda Item 2

Document is Restricted

This page is intentionally left blank

Minutes of the Corporate Policy and Resources Committee
13 July 2026

Present:

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

Councillors:

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

In Attendance: Councillors L. E. Nichols

62/26 Apologies and Substitutes

Apologies were received from Councillors Attewell, Boughtflower and S Doran.

Councillor Howkins attended as substitute for Councillor Boughtflower.

63/26 Minutes

The minutes of the meeting held on 01 December 2025 and 26 May 2026 were agreed as a correct record of proceedings.

64/26 Disclosures of Interest

Councillor Sexton declared that she was also a Surrey County Council councillor.

Councillors Bateson and Sexton declared that they were also West Surrey Authority councillors.

65/26 Questions from members of the Public

There were none.

66/26 AI Policy 2026 Revision

The Committee considered a report that sought approval of the proposed revised Artificial Intelligence (AI) Policy 2026.

The Committee were advised that the current policy needed to be updated to reflect the improved capability of AI. The amendments to the Policy would ensure that members and officers were aware of the correct way to use AI to ensure that sensitive information was not accessible outside of the Council which could leave the council open to potential security or data breaches.

It is intended that the only AI Platform to be used by members and officers would be Microsoft Copilot. Training on Copilot would be given to members and officers to ensure that it would be used in the correct way to align with the revised policy.

Committee **resolved** to approve the revised Artificial Intelligence Policy 2026.

67/26 Write off Report

Committee considered a report that sought approval for a Sundry Debt write-off in the sum of £13,138.

Following a debate, the Committee **resolved** to approve the Sundry Debt write-off of £13,138 which related to irrecoverable debt that related to two Bed and Breakfast temporary accommodation cases and one rent assure accommodation cases.

68/26 Proposed Council Transitional Plan 2026/27

Committee considered a report that sought a recommendation for Council to adopt the amended Transitional Plan 2026/27.

Committee considered the amended Transitional Plan 2026/27 for the Council and the feedback from the Council's Service Committees. The Council had previously agreed a 5-year plan that contained a wide range of planned actions but due to Local Government Reorganisation the Transitional Plan needed to be amended to reflect where the Council now needed to focus its resources to take it up to 31 March 2027 when the Council ceases to exist.

Members expressed their concerns about starting new projects that might incur additional costs that had not previously been included in the Council's annual budget.

Committee **resolved** to:

1. Agree the suggested amendments made to the proposed Council Transitional Plan 2026/27 following feedback from the Council's Service Committees; and

2. Endorse the amended Transitional Plan 2026/27 for recommendation for adoption by Full Council.

69/26 2026/27 Budget Savings

Committee considered a report that provided members with an update on the 2026/27 Budget savings.

Committee **resolved** to agree to note and endorse the elements of the in-year £1m savings programme for 2026/27.

70/26 General Fund Revenue and Capital Outturn for Month 2 2026/27

Committee considered a report that sought to inform and assure members with regard to the General Fund Revenue and Capital Outturn for Month 2 2026/27.

Following a discussion, Committee **resolved** to acknowledge:

1. The revised 2025/26 Outturn position,

2. Month 2, 2026/27 Revenue and Capital forecast,

3. Appropriations to and from the General Fund Reserves (Earmarked and Ringfenced), the final balance as at 31 March 2026 and the projected balance as at 31 March 2027, as set out in paragraph 502, Table 7 of the report.

71/26 Financial Management - Governance Assurance

Committee considered a report that sought to inform and assure members on the Governance Assurance Register.

Committee were advised that the Audit Committee would be considering and reviewing the progress of the Assurance Framework. It was acknowledged that the Governance Assurance Register was in its infancy and that it would be updated as and when needed.

Scrutiny of the performance of key governance areas within the remit of this Committee would be needed and members agreed that they wanted a regular report to come back to Committee in respect of No. 12 on the table within Appendix A ‘Ensuring our arrangements for Cyber Resilience and manage the threat of cyber-attack are effective’

Committee **resolved** to:

1. Note the progress with implementation of the Council’s Governance Assurance Framework and Policy,

2. Note the current overall assurance level of the 12 Governance Assurance Areas, which formed the new Governance Assurance Register,

3. Consider the key areas of focus concerning the Governance Assurance Area relating to Financial Management as outlined in Appendix B; and

4. Agree that reports on Cyber Resilience and management of the threat of a cyber attack be brought to the Committee at future meetings.

72/26 Appointments to Outside Bodies 2026-27

Committee considered nominations received for councillors to represent The Council on outside bodies.

The following 5 outside bodies received more than one nomination so a vote was taken:

Ashford and St Peters Hospitals NHS Foundation Trust –

Councillor S Doran – 7 votes
Councillor M Buck – 6 votes

Citizens Advice Runnymede and Spelthorne –

Councillor Beecher – 8 votes
Councillor Grant – 5 votes

Heathrow Community Engagement Board –

Councillor Gyawali – 6 votes
Councillor Beatty – 7 votes

South East Employers (Deputy Representative) –

Councillor Geach – 8 votes
Councillor Buck – 5 votes

Spelthorne Safer, Stronger Partnership Board –

Councillor Barker – 4 votes
Councillor Beatty – 4 votes
Councillor Buck – 5 votes

The Chair used their casting vote to vote for Councillor Barker, so Councillor Beatty was eliminated.

Councillor Barker – 5 votes
Councillor Buck - 7 votes

Committee **resolved** to approve the following appointments to outside bodies:

A2Dominion Customer Insight Panel – Councillor S Doran
Ashford and St Peters Hospitals NHS Foundation Trust – Councillor S Doran
Citizens Advice Runnymede and Spelthorne – Councillor Beecher
Heathrow Noise and Airspace Community Forum – Councillor Gibson
Heathrow Local Community Forum – Councillor Beatty and Councillor Boparai
Heathrow Community Engagement Board – Councillor Beatty
Local Authority Aircraft Noise Council – Councillor Saliagopoulos
Management Committee of Mediation North Surrey – Councillor Bateson
Parking and Traffic Regulations Outside London (PATROL) Adjudication Joint Committee – Councillor Geraci
Runnymede and Spelthorne SHMA – Joint Member Liaison Group – Councillor Nichols
South East Employers – Councillor Dunn (Representative)
Councillor Geach (Deputy Representative)
Spelthorne Mental Health Assoc Management Committee – Councillor Grant
Spelthorne Safer, Stronger Partnership Board – Councillor Buck
Strategic Aviation Special Interest Group – Councillor Beatty
Surrey Environment Partnership – Councillor Nichols
Surrey Museums Consultative Committee – Councillor Gibson
Surrey Traveller Community Relations Forum – Councillor Clarke
Sustainability and Transformation Plan Stakeholder Reference Group – Councillor Howkins
Thames Landscape Strategy Partnership Exec Review Board – Councillor Turner

73/26 Forward Plan

Committee **resolved** to note the contents of the Forward Plan with the following addition:

Corporate Key Performance Indicators to be considered by the Committee at each meeting.

74/26 Exclusion of Public & Press (Exempt Business)

Proposed by Councillor Bateson, seconded by Councillor Turner to exclude and public and press to discuss the remaining items on the agenda.

A recorded vote was requested:

For	Councillors Neall, Bateson, Button, Geach, Gyawali, Sexton, Turner – **7 votes**
Against	Councillors Buck, Clarke, Howkins, Saliagopoulos – **4 votes**
Abstain	Councillors Lee, Williams – **2 votes**

The Committee **resolved** to exclude the public and press for the discussion of the item No. 18, in view of the likely disclosure of exempt information within the meaning of Part 3 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.

Councillor Howkins and Saliagopoulos asked for it to be noted on the minutes that they did not agree to the meeting going into Part 2 (closed session).

75/26 12 Hammersmith Grove Lease Renewal

Committee considered a report that sought approval of the terms of the proposed reversionary lease.

Committee **resolved** to:

1. Approve the terms of the proposed reversionary lease,

2. Approve the fixed dilapidations settlement,

3. 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

4. Authorise the Group Head of Corporate Governance to enter into the Settlement Agreement, Reversionary Lease and any associated documentation including a deed of variation to the current lease.

76/26 Disposal of a Commercial Asset

Committee were advised that this asset was currently underperforming and as such an Agent had been appointed following a robust procurement exercise to undertake a targeted marketing exercise. A potential purchaser had been found and the Committee were asked to consider the offer and make a recommendation to Council.

A recorded vote was requested.

For	Councillors Neall, Bateson, Button, Gyawali, Sexton, Turner – **6 votes**
Against	Councillors Buck, Clarke, Howkins, Lee, Saliagopoulos, Williams - **6 votes**
Abstain	**0 votes**

The Chair used their casting vote to vote ‘For’, therefore

Committee **resolved** to:

1. Consider and agree in principle the offer and the proposed disposal,

2. Agree to recommend to Council to:

   2.1 approve the proposed disposal on the terms set out in the exempt report,
   2.2 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 Heads of Terms and adjustments to the sale price; and
   2.3 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.

77/26 Residential Acquisitions for Housing Need

Committee considered a report that sought a recommendation for Council to approve the acquisition of residential property to provide much needed accommodation for residents that are currently living in night-paid accommodation.

Funding for these properties would come from a Commuted Sum and the Local Authority Housing Fund. If Council agreed to proceed with the purchase of these residential properties, there would still be a sum available to spend on other suitable properties for use as affordable housing.

Committee **resolved** to:

1. Approve the Heads of Terms in Appendix 1 relating to the acquisition of property,

2. Make a recommendation to Council to:

   2.1 approve the acquisitions,

   2.2 delegate authority to the Chief Finance Officer and Group Head of Assets, in consultation with the Chair and Vice Chair of Corporate Policy and Resources Committee to agree minor variations to the Heads of Terms and the acquisition price within a tolerance of 10% of the agreed price with this Committee; and

   2.3 delegate authority to the Group Head of Corporate Governance to enter into all relevant legal documentation relating to the acquisition referred to in the exempt report.

Councillor Howkins asked that it be noted on the minutes that she was abstaining from the vote.

78/26 Urgent Action

Committee **resolved** to note the urgent actions taken since the Committee last met.

Minutes of the Corporate Policy and Resources Committee
29 July 2026

Present:

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

Councillors:

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

79/25 Apologies and Substitutes

Apologies were received from Councillors Boughtflower, Geach and Turner.

Councillors Howkins, Burrell and Nichols were in attendance as their substitutes.

80/25 Disclosures of Interest

Councillors Attewell and Sexton declared that they were also Surrey County Council Councillors.

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

81/25 Disposal of Commercial Asset A

The Committee considered a report that sought a recommendation for Council to approve the disposal of the Summit Centre on the terms set out in the report.

A recorded vote was requested.

For	Councillors Neall, Bateson, Attewell, Burrell, Button, S Doran, Gyawali, Nichols, Sexton, Williams **– 10 votes**
Against	Councillors Buck, Clarke, Howkins, Lee, Saliagopoulos – **5 votes**
Abstain	**0 votes**

Committee **resolved** to:

1. Agree in principle the offer and the proposed disposal,

2. Recommend that the Council:

    2.1 approve the proposed disposal on the terms set out in this report,

    2.2 delegate authority to the Chief Finance Officer and Group Head of Assets, in consultation with the 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.

82/25 Disposal of Commercial Asset B

The Committee considered a report that sought a recommendation for Council to approve the disposal of Thames Tower on the terms set out in the report.

The Committee were advised that the Summit Centre was an underperforming asset and that there had been a significant fall in value since it was purchased. A marketing exercise had been undertaken by Knight Frank and several bids had been received. A preferred bidder had been selected for Council approval and was supported by a recommendation from Knight Frank.

Concerns were expressed about the marketing of the property and the amount offered by the preferred bidder. Members felt that the property could be retained to see if the commercial rental market improved and a better asking price could be achieved. The Committee were advised that if the property was not disposed of, in line with the Statutory Direction to reduce the Council's debt, the Council would continue to incur holding costs. Current instability within the Commercial Property Market also meant that it would be hard to predict whether the property would increase in value over the next 5 to 10 years.

A recorded vote was requested.

For	Councillors Neall, Bateson, Gyawali, Nichols – **4 votes**
Against	Councillors Attewell, Buck, Clarke, Howkins, Lee, Saliagopoulos, Sexton, Williams – **8 votes**
Abstain	Councillors Burrell, Button, S Doran – **3 votes**

Committee **resolved:**

1. **Not** to Agree in principle the offer and the proposed disposal,

2. **Not** to recommend that Council:

   2.1 approve the proposed disposal on the terms set out in this report,

   2.2 delegate authority to the Chief Finance Officer and Group Head of Assets, in consultation with the 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 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.

This page is intentionally left blank

SPELTHORNE BOROUGH COUNCIL

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 (SM)**	**12/08/26**
MAT+ review (to have been circulated **at least 5 working days before Stage 2**)	**Y**	**28/07/26** **12/08/26**
This item is on the Forward Plan for the relevant committee	**Y**	**28/7/26**
	Reviewed by	
Finance comments (circulate to Finance)		
Risk comments (circulate to Lee O'Neil)	**LO**	**12/08/26**
Legal comments (circulate to Legal team)	**LH**	**19/08/26**
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**	**19/08/26**
S151 Officer commentary – at least **5 working days before MAT**	**T Collier**	**13/08/26**
Commissioner engagement 28/07/26	**L Seary**	**19/08/26**
	Delete as applicable:	No issues Comments in S. 7
Confirm report signed off for publishing for MAT by relevant member of Management Team	**L.O'Neil**	**20/08/26**
Confirm final report cleared by MAT	**MAT**	**18/08/26**

Corporate Policy and Resources Committee

8 September 2026

Title	Q1 2026/27 Performance Report
Purpose of the report	To consider and acknowledge
Report Author	Lee O'Neil, Deputy Chief Executive Sandy Muirhead, Group Head Commissioning and Transformation
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	
Corporate Priority	Community Addressing Housing Need Resilience Environment Services
Recommendations	**CPRC is asked to:** To consider and acknowledge the Q1 2026/27 performance updates relating to: • Corporate Key Performance Indicators (KPIs) • Progress with the delivery of the Council's Transitional Plan
Reason for Recommendation	The Council has a suite of performance updates which enable services for the Council to monitor performance over a fiscal year and address any issues if performance is faltering.

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 has a number of key areas where performance must be monitored and reported on a regular basis.	• Regular reporting of progress against key plans and KPIs is essential for monitoring and managing performance and delivery and identifying improvements to the way the Council and individual services operate. • Regular reporting will identify progress and enable timely action to be taken in areas of emerging inferior performance.
This is what we want to do about it	**These are the next steps**
• Monitor and report on performance in a more effective way. • Report in a consolidated performance report to Corporate Policy and Resources Committee (CPRC) on two key areas. (a) Corporate KPIs (b) Progress with delivery of the Council's Transitional Plan.	• CPRC is asked to review the performance in the two key areas outlined in this report and provide feedback on any key areas where improvements are required.

2. KEY ISSUES

2.1 To ensure more effective and joined up reporting of performance, it is proposed that regular reporting of two key elements will be presented to Corporate Policy and Resources Committee (CPRC) in a consolidated format as outlined within this report. These cover:

- Corporate Key Performance Indicators (KPIs)
- Progress with the delivery of the Council's Transitional Plan

3. KEY PERFORMANCE INDICATORS

Process development update.

3.1 Key Performance Indicators across Council services are monitored monthly, quarterly, or annually, depending on the individual measure specified.

3.2 The Council has established a framework of 43 Corporate KPIs for 2026/27, approved by CPRC in April 2026. These, along with service KPIs, are reported and reviewed by MAT+ on a monthly basis, with updates to CPRC and relevant Service Committees quarterly. This supports the governance and performance recommendations arising from the Best Value review.

3.3 A simplified system has been developed to enable staff to enter monthly, quarterly, or annual KPI data. The improved Power App makes it easier to enter relevant data, but it must be used consistently to support performance monitoring. As the KPI Power App for recording data is new, work is ongoing to refine its presentation options and develop suitable formats for reporting the data.

3.4 The KPI report at **Appendix A** covers Q1 for 2026/27 and includes structured narratives for each KPI, providing context and insight into performance trends.

3.5 **Appendix A** is based on figures entered by 24 July 2026 covering Q1.

3.6 Some KPIs are shown as percentages and others as absolute numbers, reflecting the several types of performance being measured. Background information on selected KPIs also helps explain their relevance and contribution to service delivery.

3.7 This report helps to demonstrate where services are not performing and understand what actions can be undertaken to remedy issues, such as extra resourcing in the case of Environmental Health.

3.8 Although each KPI can be assessed against its agreed target, year-on-year comparison with 2025/26 is limited because several measures were introduced or changed for 2026/27. The 2026/27 results should therefore be treated as the baseline for future reporting.

Q1 data headlines

3.9 Complaints performance

- Stage 1 complaint performance was below target in Q1, with 76% completed within 10 working days against the 85% target.
- A total of 76 Stage 1 complaints were responded to during the quarter, of which 18 exceeded the 10-day response standard.
- Environmental Health accounted for nine late responses, primarily due to staffing pressures. Complainants were kept informed, and performance has improved since additional resource was allocated, with most responses now being completed within the required timescales.
- Housing recorded three late-Stage 1 responses. A more structured tracking process has been introduced, supported by the Service's Business Support Officer, to strengthen oversight and improve response timeliness.
- Stage 2 complaint performance exceeded the target in terms of response times. 94% of complaints were responded to within the 20-day standard against the 85% target. This is a significant improvement on 25/26 response rates.

3.10 **Council tax and business rates** performance is reported cumulatively across the year.

- Council tax collection at Q1 was 29.36%, slightly below the 30% achieved at the same point last year.
- Cost of living pressures continue to affect some residents' ability to pay. Recovery activity is being increased, and performance will continue to be monitored monthly.
- Business rates collection has been affected in some cases by rateable valuation changes and relief arrangements, so the collection rate was

down from 34% in Q1 25/26 to 31.03%. The Customer Services team is actively managing recovery action where appropriate.

- All other **Customer Services KPIs** are currently meeting or exceeding target, indicating stable performance across the remaining measures.

3.11 In June there were no **Councillor conduct issues** reported which is positive and these continue to be monitored proactively to ensure compliance.

3.12 **Finance** performance is on track for Q1, with targets being met and routine monitoring in place to sustain delivery beyond the quarter.

- **Savings** delivery remains challenging and is subject to close monitoring. By the end of Q1, 34.7% of the annual savings target (£1.1M) had been achieved.
- The **Procurement** KPI is currently below the 95% annual target. Improvement action is underway to capture all existing contracts on the contracts register, which is expected to reduce off contract spend and strengthen readiness for Local Government Reorganisation.

3.13 **Committees** met the target of 100% for issuing **meeting papers** on time; however, performance was below (at 45%) the 100% target for publishing meeting minutes within one week of the meeting date. This was primarily due to reduced Committee Services capacity, with staffing levels falling from five officers to two and only one officer available to cover all Committee Services tasks between mid-April and mid-May because of sickness absence. Additional workload has also arisen from clerk responsibilities for the Standards Committee and Constitution Sub-Committee for the West Surrey Shadow Authority.

3.14 For investigations into suspected **unlicensed Houses in Multiple Occupation (HMOs)**, performance was slightly above target in April, with 17 cases progressed against a monthly target of 15. Performance reduced in May, with five cases progressed. This reduction reflected reduced team capacity due to enforcement activity, including attendance at two court hearings, and the impact of two long-term sickness absences. Additional contractor resource has now been brought in to support delivery and strengthen capacity, and performance returned to target in June 2026.

3.15 **Housing options**

- Temporary accommodation spend has reduced and is currently on track to deliver the required savings. Forecasting will remain prudent, reflecting the demand volatility and unpredictability associated with homelessness presentations.
- The average length of stay in nightly accommodation was 228 days in Q1, which remains above the March 2027 target of 120 days.

Improvement activity is ongoing to reduce reliance on nightly accommodation and improve throughput.

- The average length of stay in temporary accommodation is subject to a March 2027 target of 78 weeks. Q1 performance met the 54-week milestone, indicating positive progress towards the year-end target.

4. PROGRESS WITH THE DELIVERY OF THE TRANSITIONAL PLAN

4.1 Following Council approval of the Corporate Transitional Plan, in July 2026 as for IRP, more detailed actions and timelines are being put in place to allow monitoring of delivery.

4.2 All actions resulting from the Transitional Plan have an assigned owner and sponsor and these are being incorporated into CPM targets for relevant managers.

4.3 Service Plans are also being aligned to ensure they reflect the planned actions in 2026/27.

Completed actions:

4.4 Three deliverables in the Transitional Plan have been completed to date:

(a) Supplementary Planning Document (SPD) - Affordable Housing, and

(b) SPD - Climate Change

4.5 Staines Park play area has been completed and other play areas are being progressed or are near completion.

5. OPTIONS APPRAISAL AND PROPOSAL

5.1 CPRC is asked to consider the Q1 2026/27 performance updates relating to:

(a) Corporate Key Performance Indicators

(b) Progress with delivery of the Council’s Transitional Plan

6. RISK IMPLICATIONS

6.1 Extenuating circumstances can mean key performance indicators are not achieved, and this will vary with the service concerned.

6.2 Any continuing delays in services providing data could mean that issues and concerns within service areas are not identified in a timely manner so that appropriate corrective action can be taken. Governance arrangements will ensure that regular reminders are issued to relevant managers and that reporting issues are escalated to senior managers where appropriate to address any concerns. With the new system, automatic reminders will be sent one week after quarter end, followed by another reminder one week later.

6.3 There is a potential risk to changes in legislation which could impact the accuracy or relevance of certain performance statistics. Where feasible, services will assess and adapt the affected KPIs to reflect any legislative changes, ensuring continued relevance and reliability in performance reporting.

6.4 If poor performance is identified through KPI monitoring, services will investigate the underlying causes and implement appropriate mitigation measures. This proactive approach ensures that issues are addressed promptly and that continuous improvement remains a core focus across the organisation.

6.5 There is a risk of non-delivery of the Transitional Plan. However, the plan has been designed to be deliverable within existing resources and time left before vesting day. There is ongoing monitoring, reporting and delivery of the Plan through service plans and objectives for staff within the continuous performance management system.

7. FINANCIAL IMPLICATIONS

7.1 There are no direct financial implications relating to this report.

8. Legal comments

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

Corporate implications

9. Commissioners' comments

No comments from Commissioners.

10. S151 Officer comments.

10.1 As noted, above the report has no direct implications, but the KPIs and performance measures, include direct financial indicators such as savings, and also track performance of activities which will have significant financial impacts, including for example delivery of the assets rationalisation programme.

11. Monitoring Officer comments

11.1 Monitoring and managing performance plays a vital role in strengthening accountability, driving improvement and demonstrating transparency. Performance information provides elected members, public and senior management with assurance that resources are being used effectively and the Council's strategic objectives and priorities are being met.

12. Procurement comments

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

13. Equality and Diversity

13.1 Services should take account of any equality and diversity issues that impact on delivery of services and therefore on corporate performance areas outlined in this report.

14. Sustainability/Climate Change Implications

14.1 The Council's Transitional Plan contains actions relating to reducing the Council environmental impact.

15. Other considerations

15.1 There are none.

16. Local Government Reorganisation Implications

16.1 As part of the LGR corporate services theme, work has been undertaken to assess performance data alongside the Government's outcomes framework guidance. Performance monitoring will form part of the new West Surrey Council's role.

17. Timetable for implementation

17.1 Quarterly reporting to Corporate Policy and Resources Committee, with Q1 reported to CPRC September 2026.

18. Contact

18.1 Lee O'Neil – l.o'neil@spelthorne.gov.uk

18.2 Sandy Muirhead – s.muirhead@spelthorne.gov.uk

Background papers:, **Corporate Transitional Plan**

Appendices:
Appendix A – Q1 2026/27 KPI tables

Appendix A Spelthorne Borough Council Q1 Corporate KPI Report

SPELTHORNE
BOROUGH COUNCIL

Contents

Colour in the Key / Ref. column matches the service colour used in each KPI detail table. NB RAG rating used to indicate status of KPI

Audit, Climate Change & Committees

Service	Audit	Year	QTR	Result
Reference	AT1	2026/27	1	68%
KPI Description	% of accepted internal audit recommendations achieved by the date set			
Target	100%			
Commentary	As of 30.06.26 there were 63 recommendations due and 43 of these were completed on time. The remaining outstanding actions were either completed late or had the target date revised.			

Service	Climate Change	Year	QTR	Result
Reference	CC1	2026/27	1	-
KPI Description	Reduce emissions by at least 148.84 (TCO2e) each year. Actual figure represents quarterly reduction from FY 24/25.			
Target	148.84 (TCO2e)			
Commentary	Due to certain buildings being billed quarterly we cannot measure the Council's emissions until a quarter after it has completed			

Service	Committees	Year		QTR	Result
Reference	CM1	2026/27		1	45%
KPI Description	Minutes of the meetings are published within 1 week of the meeting date				
Target	100%				
Commentary	Committee Services are currently running on reduced capacity (5 officers down to 2). Due to sickness, there was only one officer covering all tasks within Committee Services from mid-April to mid-May. We now have to clerk the Standards Committee and Constitution Sub-Committee for West Surrey Shadow Authority that has added to the workload of the depleted team. MAT/MAT+ meetings are held on a weekly basis, so the minutes have to be completed in a week ready to attach to the next agenda.				

Service	Committees	Year	Month	Result
Reference	CM1	2026/27	Apr	45%
KPI Description	Minutes of the meetings are published within 1 week of the meeting date		May	45%
Target	100%		Jun	45%
Commentary	See above commentary			

Service	Committees	Year	QTR	Result
Reference	CM2	2026/27	1	100%
KPI Description	Agendas and published in line with current legislation (5 clear working days before meeting date)			
Target	100%			
Commentary	failure to meet the deadline of 5 clear working days would prevent the meeting from being held on the scheduled date.			

Service	Committees	Year	Month	Result
Reference	CM2	2026/27	Apr	100%
KPI Description	Agendas and published in line with current legislation (5 clear working days before meeting date)		May	100%
Target	100%		Jun	100%
Commentary	failure to meet the deadline of 5 clear working days would prevent the meeting from being held on the scheduled date.			

Service	Complaints	Year	QTR	Result
Reference	CMP2	2026/27	1	76%
KPI Description	% of Stage 1 complaints responded to within 10 days			
Target	85%			
Commentary	76 stage 1's responded to. 18 were over 10 days. 9 of these were in Environmental Health with late responses mostly due to resourcing issues but complainant was kept informed.. There was 1 issue with the complaints portal) In Housing 3 were late responses and a further 6 were late responses across different services			

Service	Complaints	Year	QTR	Result
Reference	CMP4	2026/27	1	94%
KPI Description	% of Stage 2 complaints responded to within 20 days			
Target	85%			
Commentary	A total of 16 stage 2 complaints were responded to. 1 exceeded the 20 days due to it being carried out by an external investigator but the complainant was kept informed throughout.			

Conduct

Service	Conduct	Year	QTR	Result
Reference	CT1	2026/27	1	3
KPI Description	Number of complaints raised against elected members (informal)			
Target	For comparison			
Commentary	Although 2 complaints were submitted in April and 1 in May none were raised in June			

Service	Conduct	Year	Month	Result
Reference	CT1	2026/27	Apr	2
KPI Description	Number of complaints raised against elected members (informal)		May	1
Target	For comparison		Jun	0
Commentary	Monthly statistics			

Service	Conduct	Year	QTR	Result
Reference	CT2	2026/27	1	0
KPI Description	Number of complaints raised against elected members (formal) leading to a standards investigation			
Target	For comparison			
Commentary	No formal complaints were raised			

Service	Conduct	Year	Month	Result
Reference	CT2	2026/27	Apr	0
KPI Description	Number of complaints raised against elected members (formal) leading to a standards investigation		May	0
Target	For comparison		Jun	0
Commentary	Breakdown by month			

Corporate Procurement & Customer Services

Service	Corporate Procurement	Year	QTR	Result
Reference	PT1	2026/27	1	65%
KPI Description	% of spend on contracts register			
Target	95%			
Commentary	Work is ongoing to capture all existing contracts on the contracts register; off-contract spend % should decrease as a result			

Service	Customer Services	Year	QTR	Result
Reference	CS1	2026/27	1	57.36%
KPI Description	Sundry Debt Collection Rates			
Target	90% cumulative over the year			
Commentary	Latest June Stats show on target			

Service	Customer Services	Year	QTR	Result
Reference	CS2	2026/27	1	29.36%
KPI Description	Council Tax Collection Rate			
Target	98.5% cumulative over the year			
Commentary	Down from last year (30%) due to cost-of-living crises.			

Service	Customer Services	Year	QTR	Result
Reference	CS3	2026/27	1	31.03%
KPI Description	NNDR Collection Rate (business rates)			
Target	98% cumulative over the year			
Commentary	Down from last year (34.40%) due to increase in Rateable Value and reduction in support			

Customer Services

Service	Customer Services	Year	QTR	Result
Reference	CS4	2026/27	1	99%
KPI Description	Customer satisfaction measure			
Target	70% positive			
Commentary	We don't have a measure across all channels; however, figure is based on the overall number of customer interactions received in the period and the number of complaints			

Service	Customer Services	Year	QTR	Result
Reference	CS9	2026/27	1	13086
KPI Description	Number of self-service transactions received and processed			
Target	2000			
Commentary	Machine 98 Payments via Customer Services - 9433 Machine 94 Internet Payments - 2397 Machine 95 Touchtone Telephone Payments (Customer Self Serve via Automated phoneline) - 1345			

Service	Customer Services	Year	Month	Result
Reference	CS10	2026/27	Apr	6 mins
KPI Description	Average in-person wait time		May	5 mins
Target	<10 Minutes		Jun	1.5 min
Commentary	Continuing to reduce wait time as far as possible			

Service	Customer Services	Year	Month	Result
Reference	CS5	2026/27	Apr	99%
KPI Description	Enquiries responded to within 7 working days		May	99%
Target	99%		Jun	99%
Commentary	Despite volume of enquiries and incoming work tray requirements team managed to stay on target			

Service	Customer Services	Year	Month	Result
Reference	CS6	2026/27	Apr	92.50%
KPI Description	Answering calls within 45 seconds.		May	92.60%
Target	80%>		Jun	94.50%
Commentary	Performance continually monitored and system allows monitoring of staff answer rates			

Service	Customer Services	Year	Month	Result
Reference	CS7	2026/27	Apr	7.50%
KPI Description	Abandoned call rate		May	5.30%
Target	<10%		Jun	4.50%
Commentary	This is where people will hang up and not wait especially at busy periods but we do have digital routes available, including webchat, which can answer many queries			

Service	Environmental Health	Year	Month	Result
Reference	EH6	2026/27	Apr	-
KPI Description	Process valid HMO Licence Applications within 24 weeks on receipt of a properly completed licence application commencing 1 April 2026		May	-
Target	Process 80% within 12 weeks		Jun	-
Commentary	NB note dates for 24 weeks in reviewing applications not yet passed so will see figures in Q2 New applications received from 1 April 2026 have a target turnaround time of 24 weeks, the team are working on these applications to meet this new deadline, however older applications within the system are receiving priority and therefore this may impact turnaround times. Since April 2026 we have received 6 new applications, these have now been validated and have a target response time of 24 weeks from the date they were validated.			

Service	Environmental Health	Year	Month	Result
Reference	EH7	2026/27	Apr	17
KPI Description	Investigations into suspected unlicensed HMOs will be determined and closed monthly.		May	5
Target	15 cases per month		Jun	11
Commentary	Due to enforcement actions taken by the team, included attendance at two court hearings, there was less capacity within the team to progress these cases. Two members of the team were on long-term sick leave, and the HMO contractor did not work in May so this impacted capacity for more routine work..			

Finance

Service	Finance	Year	Month	Result
Reference	F2	2026/27	Apr	Met
KPI Description	Finance - monthly reports Ensure all reports are issued to Group Heads, MAT & Committee Services within the agreed timetable.		May	Mett
Target	Within agreed timeline		Jun	Met
Commentary	Outturn and M2 reports have met all the required deadlines for all stager of the process : S151 , MAT/MAT+ , Leader Briefing , and CPRC (13 July shared on 3rd July).			

Service	Finance	Year	Month	Result
Reference	F4	2026/27	Apr	Met
KPI Description	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.		May	Met
Target	5 working days before the deadline		Jun	Met
Commentary	Finance has a register of all returns which are monitored weekly.			

Service	Finance	Year	Month	Result
Reference	F6	2026/27	Apr	Met
KPI Description	Treasury Management – Ensure that SBC borrowings does not exceed the authorised limits and operational boundary		May	Met
Target	100%		Jun	Met
Commentary	Met daily.			

Service	Finance	Year	QTR	Result
Reference	F5	2026/27	1	34.70%
KPI Description	% of saving target achieved			
Target	To deliver £1m in-year savings in financial year 2026/27 (in addition to the £4.8m savings built into specific budget lines for 2026/27)			
Commentary	There is £5.8m saving built into 2026-27 budget of which c£4m (69%) has already been achieved , leaving £1.8m (31%) to be achieved in year. The in-year savings include £1.1m made of Temporary Accommodation (£600k) and Asset Maintenance Budget efficiencies (£400k). The Temporary accommodation saving is very complex and risky but so far is forecasted to deliver above target (£229k). The figure stated above covers what has been delivered up to Qtr1.			

Human Resources

Service	Human Resources	Year	Month	Result
Reference	HR1	2026/27	Apr	1.33%
KPI Description	Quarterly staff turnover managed		May	0.44%
Target	For comparison		Jun	1.11%
Commentary	*Slight increase in turnover in June . Turnover in June was predominantly voluntary, with employees leaving due to resignation, retirement, securing higher-paid roles, and promotion to another authority. These reasons suggest that turnover was largely driven by career progression, external employment opportunities, and natural attrition as well as a managed departure. Overall, the pattern indicates that most turnover was employee-led in comparison to the month of May which was largely led by retirement.*			

Service	Human Resources	Year	Month	Result	Result 25/26
Reference	HR2	2026/27	Apr	0.59	0.62
KPI Description	Average days lost per employee to short term sickness		May	0.22	0.53
Target	For comparison		Jun	0.21	0.35
Commentary	Short term sickness is consistent over last two months				

Service	Human Resources	Year	Month	Result	Result 25/26
Reference	HR3	2026/27	Apr	0.85	0.64
KPI Description	Average days lost per employee to long term sickness		May	0.56	0.59
Target	For comparison		Jun	0.75	0.77
Commentary	*• Anxiety, stress and mental health-related absences account for 11.3% of all sickness absence cases recorded (6 of 53 cases).* *• Musculoskeletal conditions and surgery-related absences account for 9.4% of all cases (5 of 53 cases).* *• Other medical conditions (including malaria, dizziness under investigation, shortness of breath, pulmonary embolism, eye and ear conditions, heat exhaustion, rash, bereavement-related sickness and other complex medical conditions) account for 24.5% of all cases (13 of 53 cases). Approximately 54% of these absences are long term and 46% short term, making this category one of the largest contributors to overall sickness absence and days lost.*				

Service	Housing Options	Year	QTR	Result
Reference	H14	2026/27	1	£584,371.00
KPI Description	Total spend on Temporary Accommodation			
Target	£1.6m in FY26/27 (1.3m forecasted spend based on above reduction)			
Commentary	Although these figures are high, we are on trajectory to make the savings required as we are already ahead of target for reducing the number of households in nightly-paid accommodation. We are confident that we will continue to reduce the number each month, are also negotiating nightly-paid rates with landlords, and focusing on reducing stay in Temporary Accommodation. However, even with a positive start, we should remain prudent with our forecasting due to the unpredictable nature of homelessness.			

Service	Housing Options	Year	QTR	Result
Reference	H15	2026/27	1	228 days
KPI Description	Average length of stay in nightly accommodation			
Target	120 days by end March 2027			
Commentary	Based on averaged length of stay for households currently in Nightly Paid Accommodation. (New KPI for 2026/2027)			

Service	Housing Options	Year	QTR	Result
Reference	H16	2026/27	1	54 Weeks
KPI Description	Average length of stay in temporary accommodation			
Target	Average length of stay 78 weeks by March 2027			
Commentary	Based on averaged length of stay for households currently in Temporary Accommodation. New KPI for 2026/2027			

Service	Income and Payments	Year	QTR	Result
Reference	F8	2026/27	1	82.27
KPI Description	% of undisputed invoices paid within 10 days			
Target	100% within 10 days			
Commentary	This KPI will be reviewed. as although payments are made as soon as possible if something needs double checking for example it may be delayed beyond 10 days and so a 100% target is unrealistic.			

Service	Neighbourhood Services	Year	QTR	Result
Reference	N2	2026/27	1	92%
KPI Description	Average length of time to remove fly tips			
Target	90% within 48 hours			
Commentary	Target achieved , some fly tips not collected as specific vehicle resource (grab lorry) was not available to undertake the removal in 48 hours.			

Service	Neighbourhood Services	Year	QTR	Result
Reference	N3	2026/27	1	94%
KPI Description	% Missed refuse bins reported by 2pm and collected by the end of the next working day			
Target	95% reported by 2pm and collected next working day			
Commentary	Slightly under target, but will be addressed next quarter by the operations manager.			

SPELTHORNE
BOROUGH COUNCIL

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	**Yes**	**12.6.26**
MAT+ review (to have been circulated **at least 5 working days before Stage 2**)	**Yes**	**23/7/26**
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**	**19/06/26**
Legal comments (circulate to Legal team)	**LH**	**23/07/26**
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**	**23/07/26**
S151 Officer commentary – at least **5 working days before MAT**	**T.Collier**	**23/7/26**
Commissioner engagement 23/7/26	**J Kingston**	**13/8/26**
	Delete as applicable:	No issues
		Comments in S. 7
Confirm report signed off for publishing for MAT by relevant member of Management Team	**L.O'Neil**	**20/08/26**
Confirm final report cleared by MAT	**MAT**	**18/08/26**

Corporate Policy and Resources Committee

8 September 2026

Title	Complaints Reporting - Annual Report 2025/2026
Purpose of the report	To acknowledge and inform
Report Author	Sandy Muirhead, Group Head Commissioning and Transformation
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	Not Applicable
Corporate Priority	Services
Recommendations	**Committee is asked to:** Receive and acknowledge the report.
Reason for Recommendation	Be open and transparent about the Council's complaints handling Provide clear and concise comparative data on complaints, broken down by service area Use this customer feedback to take remedial actions, identify service improvements and demonstrate learning and improved practices and processes from these.

1. Executive summary of the report

What is the situation	Why we want to do something
• Like all Councils, Spelthorne Council receives complaints from residents about its services and actions. Complaints are responded to at Stage 1 by the relevant service and by the complaints officer at Stage 2. Some of these are referred, by the customer if still dissatisfied, to the Local Government and Social Care Ombudsman (LGSCO). The LGSCO produce an annual report on reports received/investigated and assessed.	• To give councillors oversight of our overall performance on complaints and how learning from complaints cases drives service improvements.
This is what we want to do about it	**These are the next steps**

• Inform members of the Ombudsman report and decisions. • Inform members of the Council's complaints handling performance under its two-stage Complaints Policy. • Inform members of the service improvements identified and implemented as a result of learning from complaints.	• The performance report on all complaints and the LGSCO annual reports will be published on the Council's complaint webpage. • Measures to improve response times at Stage 1 of the complaints process will be investigated and implemented.

2. Key issues

2.1 This report provides information about the Council's handling of corporate complaints received during the period 1 April 2025 to 31 March 2026.

2.2 The Council has adopted the following definition of a complaint as defined by the Local Government and Social Care Ombudsman's Complaint Handling Code:

'an expression of dissatisfaction, however made, about the standard of service, actions or lack of action by the organisation, its own staff, or those acting on its behalf, affecting an individual or group of individuals.'

A complaint can be about quality of service, delay in providing a service, the actions of staff or perceived failure to adhere to Council policy. The complaints process is covered on the Council's web site [Complaints procedure | Spelthorne Borough Council]

2.3 This report focuses in particular on:

- Complaints at Stages 1, which are dealt with by the relevant service
- Complaints escalated to Stage 2, which are dealt with by the Group Head Commissioning and Transformation and the Information Governance Compliance and Complaints Officer.
- Complainants who remain dissatisfied after Stage 1 and Stage 2 may refer their complaint to the Local Government and Social Care Ombudsman (LGSCO), who will assess whether the Council was at fault. The LGSCO's annual report on complaints received about the Council is also covered in this report.

2.4 All Council services are responsible for triaging, investigating and responding to Stage 1 complaints. They must also ensure that any commissioned providers handle complaints appropriately and in line with contractual and statutory requirements.

2.5 Customers can make Stage 1 and Stage 2 complaints online, by email, by post or by telephone. Alternative arrangements are available for those who need additional support. Full details of the process are set out in the Council's Corporate Complaints Policy available as a background paper. **Appendix A** provides details of numbers and types of complaints at Stage 1 and 2 and from the LGSCO.

2.6 **Stage 1 complaints summary:-** The number of formal Stage 1 complaints increased from 63 in 2024/25 to 112 in 2025/26. The biggest increase in Stage 1 complaints was in Neighbourhood Services, with other increases being seen in Environmental Health, Council Tax, and Planning. Stage 1 response times need improvement. In total, 29% of Stage 1 complaints missed the 10-day response target, compared with the 15% target. Technical issues with the new complaints system did affect some aspects of performance early in the financial year, but these have now been resolved. However, due to increasing volumes of complaints service response times are below both for the latter part of 25/26 and in 26/27. Measures are in place to address this situation.

2.7 **Stage 2 complaints summary:-** Stage 2 complaints increased slightly from 27 to 30 in 2025/26. The proportion upheld has fallen over the last three years, from 33% in 2023/24 to 8% in 2025/26, indicating that most Stage 1 decisions were upheld on review. Response times declined slightly, with 68% answered within 20 working days in 2025/26 compared with 81% the previous year. Seven Stage 2 complaints missed the target, mainly due to complexity or involvement of multiple services, and complainants were kept informed. Performance improved in Q1 2026/27 and exceeded the target, supported by having a complaints officer in post to coordinate responses effectively.

2.8 **Ombudsman complaints:-** The Ombudsman received 24 contacts about the Council in 2025/26. Only 3 cases were investigated, and all three were upheld. These related to Environmental Health, Housing, and Council Tax. The Ombudsman recommended remedies including apologies, service improvements and financial payments. Total financial remedies were **£1,150**.

2.9 **Learning and improvements** The Council identified learnings from complaints which are being implemented, including the need for:

- better tracking of complaints, including weekly update reports to service managers on complaints relating to their services
- more timely updates to customers, including ensuring acknowledgements are made and keeping them updated on progress if there are any delays in responses
- improved service processes for dealing with complaints.

3. Options appraisal and proposal

3.1 There are no options as the recommendation is to receive and acknowledge

4. Risk implications

4.1 The main operational risk is that complaint responses are delayed or do not meet the required standard. This is mitigated through agreed SLA timescales, service ownership of Stage 1 responses, oversight of Stage 2 complaints, and ongoing monitoring of performance data. The improved complaints portal should also support better tracking, allocation and timely responses. We have also put in additional resources to support the complaints process. Breaches of target response times are highlighted with services and procedures reviewed and modified as necessary.

4.2 Financial risk arises where service failure results in compensation, remedial payments or additional officer time. This is mitigated by ensuring services have clear processes for identifying, investigating and resolving complaints, with early escalation of complex or cross-service cases and learning from upheld complaints used to improve future practice.

4.3 Reputational and governance risks are reduced by following the Council's complaints policy, keeping customers informed, recording decisions clearly, and complying with any LGSCO recommendations within required timescales. This helps reduce dissatisfaction, avoid unnecessary escalation and demonstrate that the Council is learning from complaints.

4.4 There is also a compliance risk if complaints are not handled in line with the Corporate Complaints Policy, the LGSCO Complaint Handling Code, or relevant statutory and contractual requirements. This is mitigated through published procedures, staff guidance, monitoring of performance indicators, and ensuring commissioned providers manage complaints appropriately.

5. Financial implications

5.1 Financial implications may arise where a complaint requires a financial remedy. This may be recommended by the LGSCO or agreed at Stage 2 where the Council is found at fault, with the amount informed by comparable LGSCO cases. In 2025/26, the LGSCO recommended two financial remedies totalling £1,150 which is paid from the relevant service budget.

6. Legal comments

6.1 There are no legal implications arising directly from this report.

Corporate implications

7. Commissioners' comments

7.1 No comments from Commissioners

8. S151 Officer comments

8.1 The S151 Officer confirms that all financial implications have been taken into account, as highlighted remuneration payments totalled £1,150.

9. Monitoring Officer comments

9.1 Embedding the lessons learned from complaints and by identifying recurring issues, addressing root causes and implementing service improvements, the Council aims to reduce the number of complaints received over time.

10. Procurement comments

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

11. Equality and Diversity

11.1 Any actions the Council undertakes in delivering services takes account of equality diversity and inclusivity impacts

12. Sustainability/Climate Change Implications

12.1 There are no direct impacts in relation to climate change.

13. Other considerations

13.1 There are none.

14. Local Government Reorganisation Implications

14.1 There are no direct implications for LGR in this report except in gaining an understanding of the likely number of complaints and therefore requirements for complaint management in West Surrey.

15. Timetable for implementation

15.1 Service improvements recommended because of a complaint are implemented as soon as feasible.

16. Contact

16.1 Sandy Muirhead, Group Head commissioning and Transformation

Janice Troll, Information Access and Complaints Support Officer

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

Background papers: Corporate Complaints Policy
UPDATEDSpelthorneCorporateComplaintsPolicyv1.1April_2025.pdf

Appendices:

Appendix A Complaints Performance

Appendix B Comparative data with statically nearest neighbours and other Future West Surrey authorities

1. Appendix A Complaints Performance

1.1 This appendix provides details of complaints dealt with at Stage 1 Stage 2 and by the Local Government and Social care Ombudsman.

1.2 The Council has 5 indicators in the Council's Performance Management Framework for 2025/2026 and 2026/2027 which monitor overall performance by the Council in dealing with complaints: -

i. Total number of stage 1 complaints, by service

ii. % of S1 complaints exceeding 10-day response time

iii. Total number of stage 2 complaints, by service

iv. % of S2 complaints that exceed 20-day response time

v. Total number of complaints progressing to the Ombudsman

Data relating to these is included in the report below.

2. Performance activity in 2025/2026 – Stage One Corporate Complaints

Number of Stage One Corporate Complaints

2.1 A total of 155 contacts (service issues and complaints) were received in 2025/26. Of these, 112 formal complaints were progressed. Of those not progressed, 2 were withdrawn and 41 were invalid, mostly due to being a service request rather than a complaint

2.2 The table below highlights response times and shows that improvement is needed. Performance at Stage 1 is expected to further improve in 2026/27, as technical issues linked to the introduction of the new complaints management system early in 2025/26 have now been resolved. Any slow service response times are discussed with service and mechanisms out in place to address them.

Indicator	2025/26 target	Actual performance during 25/26
% of S1 complaints exceeding 10-day response time	15%	29%

Complaint outcomes – Stage one

2.3 The table below shows the outcomes of the Stage 1 complaints investigated in 2025/2 and preceding years for comparison.

Period	Upheld (inc. partially upheld)	Not upheld	% upheld	Total S1
2023-24	9	14	39%	23
2024-25	8	55	13%	63
2025-26	40	60	40%	100 (12 still in progress)

2.4 In 2025/26, 57 complaints were submitted through the online portal, compared with 8 in 2024/25. Many were service requests rather than valid complaints. Although most were recorded as invalid (41), some were incorrectly logged as upheld because of the technical issues early in the year. There were 13 which are therefore still included in the total figure as customers were issued with a response in line with the stage 1 complaints process saying their complaint was upheld.

2.5 The remaining complaints were received through other channels, often directly by the service or through the complaints email inbox rather than the portal. Overall, fewer than half of all contacts through the complaints system became formal complaints in 2025/26, and most did not identify service failure, despite the significant increase in complaint numbers.

Breakdown in complaints by service area for Stage 1 Complaints

2.6 The table below shows stage 1 complaints by service area.

Service Area	2024-25	2025-26
Assets	4	3
Commissioning & transformation	1	0
Committees	0	1
Community Safety	0	1
Corporate Governance	2	0
Council tax	5	10

Customer services	0	3
Elections	0	1
Environmental Health	11	17
Housing Options	18	14
Housing Benefits	1	0
Independent Living	1	1
KGE	0	1
Leisure	1	1
Neighbourhood Services	7	39
Parking	6	7
Planning DM/Enforcement	6	11
Sustainability	0	2
Total	**63**	**112**

Stage 1 complaints increased from 63 in 2024/25 to 112 in 2025/26. The biggest increase was in Neighbourhood Services, which rose from 7 to 39. However, 13 portal submissions were service issues rather than formal complaints. Some people submitted the same issue more than once, missed-bin reports were sometimes logged as complaints, and complaint recording has improved. These factors helped drive the increase.

Environmental Health complaints rose from 11 to 17, Council Tax from 5 to 10, and Planning DM/Enforcement from 6 to 11. Housing Options fell from 18 to 14. Most other service areas changed little or stayed broadly the same. Overall, more residents are now aware of the complaints portal and are using it for a wider range of enquiries.

3.0 Performance activity in 2025/2026 – Stage Two Corporate Complaints

Number of Stage Two Corporate Complaints

3.1 In 2025/26, Out of the 112 submitted complaints at Stage 1 the Council received 26 Stage 2 complaints.

Complaint outcomes – Stage two

3.2 The table below summarises Stage 2 complaint outcomes. The proportion of upheld cases has fallen steadily over the past three years, which is positive as it suggests that most Stage 1 responses were not found to be at fault.

Period	Upheld (inc. partially upheld)	Not upheld	% upheld	Total S2
2023-24	9	18	33%	27
2024-25	3	24	13%	27
2025-26	2	24	8%	30*

*4 were still in progress from 24/25 into 25/26

Breakdown in contact by service area for Stage 2 complaints

Table below shows stage 2 complaints by service area.

Service Area	2024-25	2025-26
Assets	1	2
Community Safety	0	0
Council tax	2	2
Customer services	0	1
Environmental Health	4	7
Housing	7	2
Independent Living	1	0
Leisure	0	0
Neighbourhood Services	3	7
Parking	3	2
Planning	4	5
Commissioning & transformation	0	0
KGE	0	0
Committees	1	1
Elections	0	1

Housing Benefits	1	0
Total	**27**	**30**

3.3. Stage 2 complaints increased slightly, from 27 in 2024/25 to 30 in 2025/26. The largest increases were in Environmental Health and Neighbourhood Services, both rising to 7 complaints.

Planning increased from 4 to 5, and Assets from 1 to 2.

Housing recorded the largest decrease, falling from 7 to 2 complaints, with smaller reductions in Parking, Independent Living and Housing Benefits. Several service areas had no Stage 2 complaints in either year. The overall distribution remained broadly similar across most services.

Stage 2 Complaint Response Times

3.4 The table below shows how many stage 2 complaints were responded to within the target of 20 working days

Period		Stage 2 Complaints responded to within 0 – 20 working days	
	Number received	Number completed within target timelines	Percentage
2024-25	27	22	81%
2025-26	22	15	68% (32% breached)

3.5 In 2025/26, seven cases missed the 20-working-day response target. In each case, customers were told that additional time was needed to complete the investigation due to the complexity of the complaint, including cases involving more than one service area (2.7 in main report). This is being addressed by having a complaints officer in post to work more effectively with services and ensure information is provided for Stage 2 responses more promptly.

4.0 Performance activity in 2025/2026– Local Government and Social Care Ombudsman (LGSCO)

Number of LGSCO Complaints

4.1 The Ombudsman reports on local authority figures based on the number of cases it receives in the reporting year; the number of decisions it makes in the reporting year (which may include cases ongoing from the previous year) and the Council's compliance with any recommendations.

4.2 A total of 24 contacts were received by the LGSCO in this period. Of these, only 3 were investigated, all of which were upheld. In comparison, 2024-2025, 11 complaints were dealt with by the LGSCO and 0 were investigated.

Year	Not dealt with	Not for LGSCO	Assessed and closed	Investigated	Upheld
2023/24	5	0	5	0	0
2024/25	11	4	7	0	0
2025/26	24	5	16	3	3

4.3 Complaints escalated to the LGSCO is generally increasing year on year across all Councils. A 33% increase was seen in 25/26. The LGSCO website reports on statistics for all Councils here: Your council's performance. Appendix B show a comparison of statistically nearest neighbours (ONS data) and West Surrey, for the last 2 years. This shows that Spelthorne is not an outlier in terms of the number of complaints upheld by the LGSCO.

4.4 The LGSCO report that the number of complaints they received from all Councils in 25/26 has risen significantly and more sharply than at any other time over the past 10 years. The LGSCO in 24/25 saw a 16% increase but in 25/26 this figure has more than doubled to 33%. Also, the LGSCO state that the increase is not concentrated in one area, it is consistent across all services.

4.5 The LGSCO states that this situation is not unique to local government. Demand is rising across UK public sector Ombudsman bodies, and the LGSCO considers this part of a wider crisis of public confidence in public services. The pattern of complaints identified by the LGSCO is consistent and concerning. In areas such as special educational needs, housing and adult social care, the LGSCO reports the impact of systems under sustained and serious pressure.

Complaint Outcomes

4.6 The table below shows upheld complaints by service compared with the previous year. No complaints were upheld in 2024/25, compared with three in 2025/26. This reflects an increase in cases referred to the LGSCO, and one upheld case related to a complaint handled by the Council in 2024/25 but decided by the LGSCO in 2025/26.

LGSCO Complaint outcomes		
Service	2024/25	2025/26
Environmental Health	0	1
Housing	0	1
Council Tax	0	1

4.7 Table below shows the remedies and recommended actions from those upheld complaints:

Reference	Service	Subcategory	Remedy	Value of remedy
24020646	Environmental Health	Housing standards	Service improvements	£350
24008008	Housing	Temporary Accommodation	Apologise	£800
24020710	Council Tax	Outstanding debt	Apologise & service improvements	0

The value of remedial payments this year (£1,150) is an increase from the previous year when there were none.

Table below shows the Council’s compliance to the LGSCO’s recommendations

Outcomes recommended	Satisfied with the outcomes	Recommendations that were on time	Service improvements
3	3	2	2

This page is intentionally left blank

Appendix B Complaints to LGSCO

Comparison with nearest neighbours and West Surrey Authorities for 25/26 and 24/25.

		Complaints dealt with	Not for LGSCO	Assessed	Investigated
Spelthorne	25/26	24	5	16	3 (3 upheld)
	24/25	11	4	7	0
Broxbourne	25/26	29	11	17	1 (1 upheld)
	24/25	10	3	4	3 (3 upheld)
Epsom and Ewell	25/26	18	9	7	2 (2 upheld)
	24/25	15	7	6	2 (2 not upheld)
Three Rivers	25/26	20	4	11	5 (5 upheld)
	24/25	12	4	5	3 (3 upheld)
Woking	25/26	17	8	6	3 (2 upheld)
	24/25	16	7	4	5 (3 upheld)
Elmbridge	25/26	18	9	8	1(0 upheld)
	24/25	22	10	9	3 (1 upheld)
Runnymede	25/26	10	4	6	1 (1 upheld)
	24/25	9	4	3	2 (2 upheld)
Surrey Heath	25/26	13	9	3	1 (1 upheld)
	24/25	12	2	8	2 (2 upheld)
Waverley	25/26	15	3	10	2 (2 upheld)
	24/25	17	7	6	4 (3 upheld)
Guildford	25/26	14	4	8	2 (1 upheld)
	24/25	22	12	8	2 (1upheld)

This page is intentionally left blank

Committee Report Checklist

SPELTHORNE BOROUGH COUNCIL

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		
Commissioner engagement (if report focused on issues of concern to Commissioners such as Finance, Assets etc)		
Relevant Group Head review		
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	16/07/26
	Reviewed by	**Date**
Finance comments (circulate to Finance)		
Risk comments	LO	03/08/26
Legal comments	**LH**	**03/08/26**
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**
Monitoring Officer commentary – at least **5 working days before MAT**	**L Heron**	**03/08/26**
S151 Officer commentary – at least **5 working days before MAT**	T. Collier	31/7/26
Confirm final report cleared by MAT		

Version: 01, Last saved:

Corporate Policy and Resources Committee

08/09/2025

Title	Treasury Management Annual Outturn Report 2025/26
Purpose of the report	To Inform and be Assured
Report Author	Peter Worth, Interim Treasury Management Accountant
Ward(s) Affected	All Wards
Exempt	No
Corporate Priority	Community Addressing Housing Need Resilience Environment Service delivery
Recommendation	**Committee is asked to:** To receive the Treasury Management outturn position for 2025/26.
Reason for Recommendation	To promote effective financial management and comply with the Code of Practice (the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code), last updated in 2021 and the CIPFA Prudential Code for Capital Finance, along with meeting the requirements of the Council's Financial Regulations.

1. Executive summary of the report

What is the situation	Why we want to do something

• The Council has a statutory duty to present the Annual Treasury Management Outturn report to the Committee and the Council to show the performance of the Council's Treasury Management activities during the financial year.
• Since May 2025, The Council has been under Statutory Direction, issued by the Secretary of State, requiring it to:
  • Reduce borrowing;
  • Set Minimum Revenue Provision (MRP) in accordance with Statutory Guidance; and
	• Treasury Management is crucial to the Council's cash flow, investment and borrowing to mitigate the risk
	• To proactively look to manage down over time the Council's outstanding long-term borrowing.

Rationalise its investment property portfolio.
• The Council has both a significant debt portfolio (most of which is at fixed rates) of £718m (£704m long term and £14m of short term as at 31/3/26), short-term treasury investments of £21m and investment property of £526m.
• In response to the Statutory Direction, the Council:
  • Restructured £905m of PWLB borrowing in November 2025 realising a discount of £342m (equivalent to a 32% reduction in outstanding debt);
  • Approved a revised MRP Policy in December 2025; and
  • Has embarked on an investment asset disposal programme which will generate capital receipts which will be used to further reduce the Council's borrowing.
• Officers review its liquidity and cashflow on a weekly basis.
• The Council needs to seek to minimise financing costs whilst maximising returns on surplus funds whilst managing risk	

This is what we want to do about it	**These are the next steps**
• Mitigate risk by diversify Investment and borrowing. • Over time the Council will be looking to generate capital receipts to reduce its long-term debt balances. • Continuing to seek ongoing regular professional advice from our advisers	• To closely monitor and manage the treasury function in the new financial year 2026/27. • To acknowledge this report.

2. Key Issues

2.1. The Council is required to produce a Treasury Management Strategy each year as part of the budget setting process. The content and layout of the strategy also needs to meet a number of specific requirements in terms of:

- Statutory requirements, principally the Local Government Act 2003 and the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, as amended, and the associated statutory Government guidance; and

- CIPFA's Code of Practice on Treasury Management, (the Treasury Management Code), and the Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

2.2. The Treasury Management Strategy sets out the Council's approach to ensuring cashflows are adequately planned to ensure that the Capital Programme and corporate investment plans are adequately funded, with cash being available when it is needed to discharge the Council's legal obligations and deliver Council services. It is also concerned with managing the debt position of the Council.

2.3. Under the Treasury Management Code (2021 edition), the minimum reporting requirements are that full Council should receive the following reports:

- an annual Treasury Management Strategy (TMS) to be followed in the following year – the 2025/26 TMS was approved by Council 27 February 2025;
- a mid-year treasury update report – approved 11 December 2025; and
- an annual report following the end of the year comparing performance for the year against the originally approved strategy (this report for 2025/26).

2.4. The Deputy Chief Executive/s151 Officer confirms that the Council has complied with the above reporting requirements of the Treasury Management Code to give prior scrutiny to all of the above treasury management reports by the Corporate Policy and Resources Committee before they were reported to the full Council and that all Prudential Indicators were complied with, apart from the affordability indicators, as summarised in Table 1 below. It should be noted that the two affordability indicators are unsustainably high. Until the Council's borrowing level is reduced to a level reflecting the size of the Council's taxbase, these indicators will continue to exceed the Prudential Indictor significantly.

2.5. Full details are set out in the Treasury Outturn report for 2025/26 at Appendix A.

Table 1 Summary of Prudential Indicators

PI ref	Para ref		2024/25 Actual	2025/26 Estimate	2025/26 Outturn	RAG Indicator
			£m	£m	£m	
1	3.4	Capital expenditure	33.1	7.4	5.8	G
2	3.8	Capital Financing Requirement	1,163.8	1,166.6	1,119.7	G
3	3.9	Net debt v. CFR - (under)/over borrowed	(94.6)	(124.3)	(402.2)	G
		Ratio of financing costs to net revenue stream (Affordability):				
4a	3.1	excluding investment property income	315%	313%	309%	R
4b	3.11	including investment property income	78%	92%	93%	R
5a	4.8	Authorised limit for external debt		1,270	1,270	G
5b	4.8	Operational boundary for external debt		1,170	1,170	G
6	5.5	Limit on surplus funds held for more than 364 days (i.e. non-specified investments	65.3	70.0	66.1	G
		Maturity structure of borrowing				
7a	4.1	upper limit under 12 months		10%	2%	G
7b	4.1	lower limit 10 years or more		0%	100%	G

KEY	
Exceeds PI significantly	R
Near but not within PI	A
Within or at PI level	G

2.6. Training for members on treasury management has yet to take place but will be arranged by end of October.

2.7. Due to change of officers over the past 15 months, the Treasury Management Policies (TMPs) have been updated. The revised TMPs are at Appendix B for Member approval.

3. Options analysis and proposal

3.1. This report deals with the Treasury Management Outturn for 2025/26 and the outturn plays a significant part in supporting the delivery of all the Council's corporate priorities.

4. Financial management implications

4.1. The financial implications are as set out in this report. The ability to maximise interest returns is paramount to generate sufficient funds to support the General Fund and even a small decline in interest rates can mean a significant reduction in cash returns. Therefore, it is our aim to continue to maintain flexibility commensurate with the high level of security and liquidity and minimal risk when making investment decisions.

4.2. In addition to supporting the Council's Revenue Budget and Capital Programme, the Treasury Management interest budget is an important part of the revenue budget. Any savings achieved, or overspends incurred, have a direct impact on the financial performance of the budget (although there is an interest equalisation reserve which can potentially mitigate some under-delivery).

5. Risk management considerations

5.1. The Local Government Act 2003, the Prudential Code and the Treasury Management Code of Practice include a key principle that the Council's appetite for risk is included in their annual Treasury Management Strategy and this should include any use of financial instruments for the prudent management of those risks, and should ensure that priority is given to security and liquidity when investing.

5.2. The principal risks associated with treasury management are set out below:

	Risk	Mitigation
1	Loss of investments as a result of failure of counterparties	Limiting the types of investment used, setting lending criteria for counterparties, and limiting the extent of exposure to counterparties.
2	That the Council will commit too much of its investments in fixed term investments and might have to recall investments prematurely resulting in possible additional costs or new borrowing (Liquidity risk).	Ensuring that a minimum proportion of investments are held in short-term investments for cashflow purposes.
3	Increase in the net financing costs of the Council due to borrowing at high rates of interest.	Planning and undertaking borrowing and lending considering assessments of future interest rate movements, and by undertaking mostly long-term borrowing at fixed rates of interest (to reduce the volatility of capital financing costs). Commencing the asset disposal plan to generate capital receipts to reduce borrowing.

	Risk	Mitigation
4	Higher interest rates increase borrowing making it more difficult to self-finance capital schemes. Debt servicing becomes less affordable and less sustainable and crowds out revenue spend.	In the run-up to Local Government Reorganisation to defer most new capital schemes, particularly any requiring new borrowing.
5	Return on non-treasury investments lower than expected.	Review and analysis of risk prior to undertaking non-treasury investments.
6	The Council's Minimum Revenue Provision policy charges an insufficient amount to the General Fund to repay debt at a prudent level.	Align the Minimum Revenue Provision policy to the service benefit derived from the Council's assets.
7	Associated with cash management, legal requirements and fraud.	These risks are managed through: • Treasury Management Practices covering all aspects of treasury management procedures, including cashflow forecasting, documentation, monitoring, reporting and division of duties • All treasury management procedures and transactions are subject to inspection by internal and external auditors. The Council also employs external treasury advisors to provide information on market trends, credit rating alerts, lending criteria advice and investment opportunities.
8	Increase in capital financing costs due to inflationary forces resulting in increased cost pressures on current capital projects and higher costs compared to approved budgets.	Regular monitoring of the Capital Programme through comparison to budgets.

6. Procurement

6.1. None

7. Legal considerations

7.1. The powers for a local authority to borrow and invest are governed by the Local Government Act 2003 (LGA 2003) and associated regulations. A local authority may borrow or invest for any purpose relevant to its functions, under any enactment, or for the purpose of the prudent management of its financial affairs (sections 1 and 12 of LGA 2003). The provisions in section 15 of the LGA 2003 also specify that authorities should have regard to the guidance issued or specified by the Secretary of State when carrying out their treasury management functions. The current statutory guidance includes the CIPFA Treasury Management Code, the CIPFA Prudential Code and the MHCLG Investment Guidance.

7.2. The report is in accordance with the requirements of the CIPFA Treasury Management Code, the CIPFA Prudential Code and complies with the Council's statutory obligation under the LGA 2003 to have regard to these Codes.

7.3. This report also assists the Council to monitor its investments and borrowing.

Corporate implications

8. Commissioners' comments

8.1. To be completed.

9. S151 Officer Comments

9.1. The S151 Officer, confirms that the report covers the relevant financial implications and summarises how the Council has complied with relevant Codes of Practice and guidance.

10. Monitoring Officer Comments

10.1. The Monitoring Officer confirms that the recommendation in this report is consistent with the Council's statutory obligations.

11. Other considerations/Local Government Reorganisation

11.1. The Council fully complies with best practice as set out in CIPFA's 2023 Treasury Management and Prudential Codes and in the Government's Guidance on Investments.

11.2. Nothing in the Council's current strategy is intended to preclude or inhibit capital investment in local projects deemed beneficial to the local community and which have been approved by the Council.

11.3. The outturn report confirms that overall total borrowing (including leases) has reduced, as at 31st March 2026,to £719m – a reduction of £352m from 1 April 2025, largely due to the debt restructuring in November 2025. Borrowing is forecast to reduce further to £699m by 31 March 2027, which remains unsustainably high for a borough council. This underlines the need for the Council to continue to implement the Improvement and Recovery Plan, in particular the investment asset disposal plan to generate capital receipts which will further reduce overall borrowing levels for the new West Surrey Council.

12. Equality, Diversity, and Inclusion

12.1. Equality, diversity and inclusion (EDI) are central everything that we do and are woven throughout our Strategic Plans

13. Sustainability/Climate Change Implications

13.1. In view of the move to short-term investments in the run-up to local government reorganisation and the divestment from pooled investments earlier in 2025/26, there is no need to consider transitioning towards an Environmental, Social and Governance compliant basis.

14. Timetable for implementation.

14.1. Not applicable.

15. Contact

15.1. Peter Worth, Interim Treasury Management Accountant – P.worth@spelthorne.gov.uk .

Background papers:

- Capital Budget, Prudential Indicators & Treasury Management Strategy 2025/26
- CIPFA Code of Practice for Treasury Management (2021 Edition)
- CIPFA Prudential Code for Capital Finance in Local Authorities (2021 Edition)

Appendices:

Appendix A – Treasury Management Outturn report 2025/26
Appendix B – Treasury Management Policies
Appendix C – Glossary - Local Authority Treasury Management Terms.

This page is intentionally left blank

Appendix A

Treasury Management Outturn Report 2025/26

Introduction

1.1. This report covers four areas:

Summary position including Statutory Direction

Section 1 Capital Strategy

Capital expenditure and financing

Overall borrowing need

Affordability

Minimum Revenue Provision (MRP)

Section 2 Borrowing

Borrowing strategy

Borrowing outturn 2025/26

Debt restructuring

Limits on external borrowing

Maturity structure of borrowing

Borrowing in advance of need

Liability benchmark

Section 3 Managing cash balances

Investment outturn 2025/26

Commercial activity

Summary position

1.2. Prudential Indicators (PIs) are reported throughout the report and summarised at Appendix A with a Red, Amber, Green notation where figures highlighted green and with a 'G' were within the PI level.

1.3. The Council has significantly high levels of external borrowing totalling £718m as at 31st March 2026 (Table 4) reflecting a £352m reduction from previous year. Long term borrowing has been used to

- fund the acquisition of investment properties in previous years, which are now being disposed of in line with the Statutory Direction;
- part fund the purchase of properties for resettlement of refugee families and part-fund Temporary Accommodation using the Local Authority Housing Fund (LAHF) provided to offset some of the (about 40% to 50%) cost of purchase;

- purchase of buildings in Spelthorne for regeneration which are now being considered for disposal; and
- financing the construction of the Eclipse Leisure Centre

1.4. In the run-up to Surrey local government reorganisation (LGR) on 1 April 2027, the Council's Capital Programme was reduced in 2025/26 and has been reduced also in 2026/27 to minimise the risk of long-term liabilities being entered into before LGR. Also the aim has been to continue to avoid entering into schemes which would require additional new borrowing both in 2025/26 and 2026/27

1.5. The Council has embarked on an asset rationalisation plan with the aim of generating capital receipts to enable paying off some of the long-term debt and reduce future capital financing charges.

Statutory Direction

2.1. The Secretary of State issued the Council with a Statutory Direction on 8 May 2025 requiring the Council to implement an Improvement and Recovery Plan which includes the following actions which impact on the Council's Treasury Management Strategy:

- a plan to ensure the Authority's capital, investment and treasury management strategies are sustainable and affordable, including an asset rationalisation programme for assets and commercial investments;
- a comprehensive and strict debt reduction plan, demonstrating how overall capital financing requirement and external borrowing will be reduced over a realistic but expedient timescale, reducing debt servicing costs; and
- a plan to ensure the Authority is complying with all relevant rules and guidelines relating to the financial management of the Authority, including updating the minimum revenue provision (MRP) policy.

2.2. As a consequence of the above, the Treasury Management Strategy (TMS) for 2025/26 approved by the Council 27 February 2025 was updated at the mid-year TMS report in November 2025 to approve a revised MRP Policy.

2.3. In addition, the Council restructured £905m of PWLB loans in November 2025. This generated £342m of discount and significantly reduce borrowing by 34%, bringing overall borrowing down to £718m at 31 March 2026.

2.4. Also the Council approved the appointment of Knight Frank to advise the Council on marketing the disposal of the investment property portfolio, which commenced in March 2026.

SECTION 1 CAPITAL STRATEGY

Capital expenditure and financing

3.1. The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators reported below and designed to aid decision-making by Members.

3.2. Capital expenditure is expenditure generally incurred on assets which will yield a benefit to the Council over the long-term and various statutorily defined items, which would normally be charged to revenue, such as loans to third parties for a capital purpose

3.3. All capital expenditure has to be financed either:

- Immediately through the application of capital or revenue resources (i.e. capital receipts, capital grants, revenue contributions etc.). Application of these resources avoids the need to borrow; or
- Where insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need. This will be reflected in an increase in the Council's Capital Funding Requirement (CFR).

3.4. Table 1 below shows actual capital expenditure against the original plan and how this was financed. Capital expenditure was lower than originally planned largely resulting from rigorously reviewing schemes in the run-up to LGR. Overall Table 1 shows a significant reduction in the total financing need compared with 2024/25 of £55m.

Table 1 Capital Spending and funding (Prudential Indicator 1)

		2025/26		
2024/25 Actual		**Original estimate**	**Outturn**	**Variance**
£m		**£m**	**£m**	**£m**
	Expenditure			
31.3	Housing and Regeneration	4.3	3.8	(0.5)
1.8	Other capital expenditure	3.1	2.0	(1.1)
33.1		**7.4**	**5.8**	**(1.6)**
	Funding			
0.0	Capital receipts	(6.5)	(9.6)	(3.1)
(11.8)	Capital grants and contributions	(0.9)	(2.7)	(1.8)
(0.4)	Revenue contributions	0.0	(0.6)	(0.6)
(12.2)		**(7.4)**	**(12.9)**	**(5.5)**
20.9	**Total financing need before MRP**	**0.0**	**(7.1)**	**(7.1)**
(19.3)	Minimum Revenue Provision (MRP)	(13.2)	(59.6)	(46.4)
1.6	**Total financing need after MRP**	**(13.2)**	**(66.7)**	**(53.5)**

Overall Borrowing Need

3.5. The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). The CFR measures the extent to which capital expenditure incurred has not yet been financed from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so the underlying borrowing need. Any capital expenditure, which is not immediately paid for through a revenue or capital resource, will increase the CFR.

3.6. The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges for the economic consumption of capital assets as they are used.

3.7. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments plans and cash flow requirements as they fall due. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

3.8. Table 2 below shows that the CFR for the year was lower than the original budget and key points are:

- the outturn opening CFR although £16m lower than originally budgeted, was restated by £22.5m whilst preparing the 2025/26 Statement of Accounts in order to reconcile the CFR to balance sheet at 31 March 2025. This was in response to an audit recommendation from Grant Thornton from their 2024/25 audit;

MRP was £46m higher than originally budgeted. This was due to revising the MRP Policy in November 2025 to comply with the Statutory Direction.

Table 2 Capital Financing Requirement (Prudential Indicator 2)

2024/25 Actual		2025/26 Original estimate	2025/26 Outturn
1,151.2	**Opening CFR**	**1,179.8**	**1,163.9**
	Restatement of opening balance		22.5
	Restated opening balance		**1,186.4**
	Capital Investment		
31.3	Property, Plant & Equipment	4.2	3.8
	Investment properties	0.1	0.1
0.2	Intangible assets		0.3
1.6	Revenue Expenditure Funded from Capital under Statute	3.1	1.6
33.1	**Total Capital investment**	**7.4**	**5.8**
	Sources of finance:		
0.0	Capital receipts	(6.5)	(9.6)
(0.8)	Government grants and contibutions	(0.9)	(2.7)
(0.4)	Revenue contributions	0.0	(0.6)
(19.3)	Minimum Revenue Provision	(13.2)	(59.6)
(20.5)	**Total sources of finance**	**(20.6)**	**(72.5)**
1,163.8	**Closing CFR**	**1,166.6**	**1,119.7**

3.9. Table 3 below shows that the Council's borrowing has remained within the constraint of the CFR. Table 3 shows that the debt restructuring in November 2025 significantly reduced gross borrowing. However, as the Council generates capital receipts from asset sales, these will be used to both repay external borrowing and be applied to reduce the CFR – both in line with the Statutory Direction.

Table 3 Borrowing compared to the CFR (Prudential Indicator 3)

	31/03/2025 Actual	31/03/2026 Budget	31/03/2026 Actual
	£m	**£m**	**£m**
Capital Financing Requirement	1,163.8	1,166.6	1,119.7
Gross borrowing position	1,069.2	1,042.3	717.5
(Under)/over borrowing	**(94.6)**	**(124.3)**	**(402.2)**

Affordability

3.10. The objective of the affordability indicator is to ensure that the level of investment in capital assets proposed remains within sustainable limits and, in particular, highlight the impact of capital financing costs (i.e. MRP and interest) on the Council's "bottom line". The financing costs reflect current commitments and the capital outturn to date. The net revenue stream is defined in paragraph 96 of the Prudential Code as taxation and non-specific grant income as reported in the Authority's Comprehensive Income and Expenditure Statement.

Table 4 Affordability indicator (Prudential Indicator 4a)

	2024/25	2025/26		
	Outturn	Estimate	Forecast	Outturn
	£m	£m	£m	£m
Total capital financing costs	44.7	40.0	50.9	56.2
Net revenue stream	14.2	18.0	16.3	18.2
Affordability Indicator	**315%**	**222%**	**313%**	**309%**

3.11. Table 4 above shows that the ratio of capital financing costs to the net revenue stream is over 3 times the Authority's net revenue stream. It should be noted that this omits the impact of the net operating income generated from the Council's investment property portfolio.

Table 5 Affordability including investment property net income (Prudential Indicator 4b)

	2024/25	2025/26		
	Outturn	Estimate	Forecast	Outturn
	£m	£m	£m	£m
Total capital financing costs	44.7	40.0	50.9	56.2
Net revenue stream	14.2	18.0	16.3	18.2
Net operating income from investment property	43.0	47.2	38.8	42.3
	78%	**61%**	**92%**	**93%**

3.12. Including the net operating income from the Authority's investment property portfolio considerably reduces the affordability indicator down to 93%. However, this remains well above the affordability ratio for comparable authorities which is less than 18%. This is one of the reasons for the Statutory Direction requiring the Authority to implement a treasury management strategy which is sustainable and affordable.

Minimum Revenue Provision

3.13. Full Council approved a revised MRP Policy as part of the 2025/26 half-yearly Treasury Management report on 11 December 2025 to comply with the Statutory Direction. The revised MRP Policy fully complies with the Local Authorities (Capital Finance and Accounting) (England) Regulations 2024 and the related Statutory MRP Guidance which were revised in March 2024.

SECTION 2 BORROWING

Borrowing strategy and control of interest rate risk

4.1. Borrowing is undertaken to fund net unfinanced capital expenditure and naturally maturing debt and to maintain cash flow liquidity requirements.

4.2. The Council's main objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term funding and asset management plans change.

Borrowing outturn

4.3. At 31 March 2026, the Council's borrowing totalled £719m, including leases, as set out in Table 6 below.

Table 6 Composition of borrowing at 31 March 2026

Borrowing type	Balance at 31/3/2025	Balance at 31/3/2026	Movement
	£m	£m	£m
Public Works Loans Board (PWLB)	1,061.2	717.5	(343.7)
Short-term - Other Local Authorities	8.0	0.0	(8.0)
Total loans	**1,069.2**	**717.5**	**(351.7)**
Right of use leases	2.4	1.9	(0.5)
Total borrowing	**1,071.6**	**719.4**	**(352.2)**

Debt restructuring

4.4. During 2025/26 to comply with the Statutory Direction to reduce borrowing, the Council restructured £905m of borrowing which generated a discount of £342m. The discount generated is being credited back to the General Fund over 10 years in line with statutory requirements. The replacement borrowing has all been taken out on fixed interest rates over loan maturities timed to match the estimated receipt of capital receipts from asset disposals.

4.5. This approach has de-risked the Council from interest rate risk which would have faced the Council if it had taken out short-term borrowing from other sources, such as local authorities

4.6. As there was no similar impact on the CFR, this has led to the Council having a significant under-borrowed position at 31 March 2026. As the asset disposal plans generate capital receipts, these will be used to reduce the CFR and repay borrowing thus bringing down both measures.

Limits on external borrowing

4.7. The Prudential Code requires local authorities to set two limits on total external debt as set out in Table 6 below. The limits are:

- **Authorised limit for external debt (Prudential Indicator 5a)** – this is the limit prescribed by section 3(1) of the Local Government Act 2003 representing the maximum level of borrowing which the Council may incur. It reflects the level of external debt which, while not desired, could be afforded in the short-term, but may not be sustainable in the longer term. Once this has been set, the Council does not have the power to borrow above this level.

- **Operational boundary (Prudential Indicator 5b)** – this is the limit which external debt is not normally to exceed from day to day operations.

4.8. Table 7 shows that during 2025/26, the Council has maintained gross borrowing within both its Operational Boundary and its Authorised Limit.

Table 7 Overall borrowing limits (Prudential Indicators 5a and 5b)

Limits for 2025/26	TMS approved Feb 2025	Revised mid-year
	£m	£m
Authorised Limit	1,270	1,270
Operational Boundary	1,170	1,170
Maximum Borrowing position during year		1,072
Outturn borrowing position		719

Maturity structure of borrowing (Prudential Indicator 7)

4.9. Managing the maturity profile of debt is essential for reducing the Council's exposure to large, fixed rate sums falling due for re-financing within a short period, and thus potentially exposing the Council to additional unplanned cost.

4.10. Table 8 below shows that because of the debt restructuring exercise in November, the maturity profile was significantly shortened. Although the restructured debt profile exceeded the upper limits, the revised loan maturities have been timed to coincide with the expected capital receipts from the Council's asset disposal plan. The revised loan maturity also includes leeway for slippage in the generation of capital receipts to mitigate the need for any temporary borrowing, and reflect a pessimistic view to anticipated capital receipts.

Table 8 Debt maturity profile limits (Prudential Indicator 7)

	Lower Limits	Upper Limit	Actual borrowing maturity	
	%	%	£m	%
Under 12 months	0%	10%	13.5	2%
1-2 years	0%	15%	139.8	21%
3-5 years	0%	20%	60.8	30%
6-10 years	0%	25%	340.2	77%
11-20 years	0%	50%	163.2	100%
21-30 years	0%	75%		
31-40 years	0%	90%		
41-50 years	0%	100%		
			717.5	

Borrowing in advance of need

4.11. The Council has not borrowed more than, or in advance of its needs, purely to profit from the investment of the extra sums borrowed. On the contrary, it is operating a strict debt reduction policy rather than considering new borrowing.

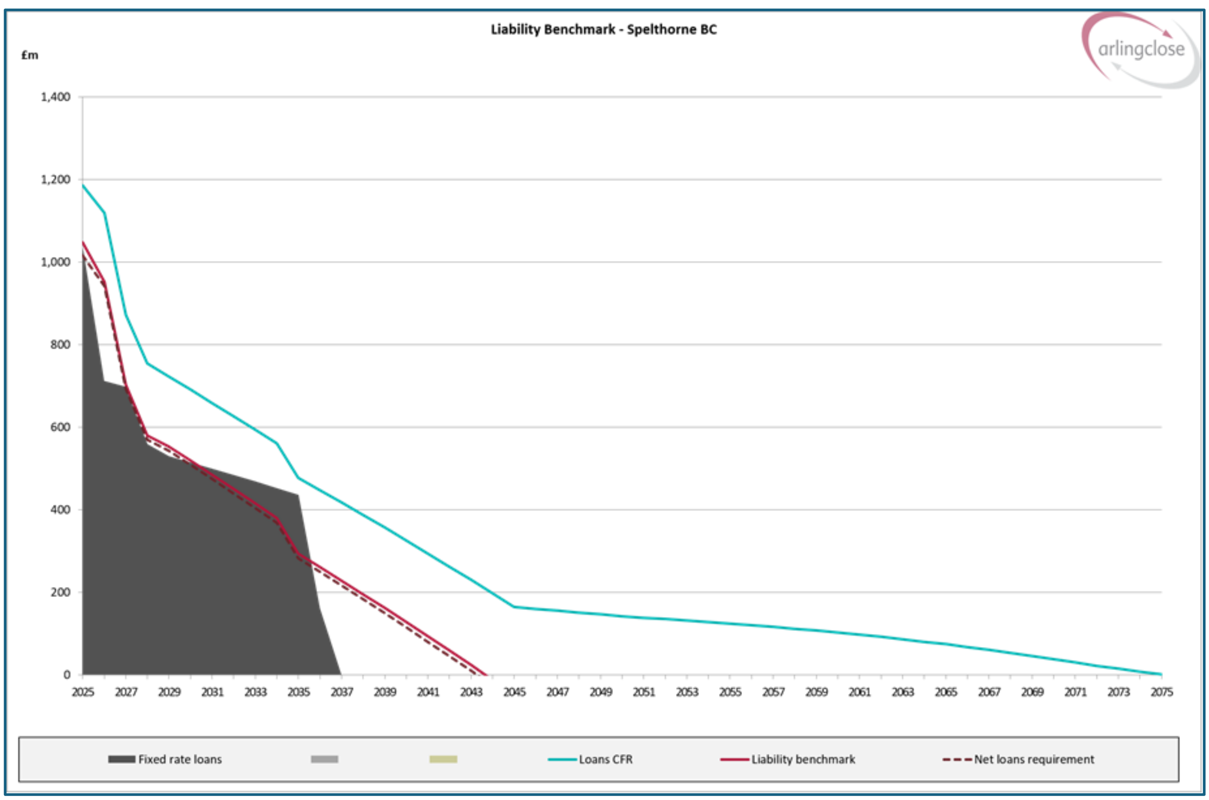
Liability Benchmark

4.12. The Treasury Management Code requires the Council to compare the existing loan portfolio against committed borrowing needs in order to understand future debt requirements. The chart covers the following four areas.

- Existing Loan Debt = current borrowing portfolio;
- Capital Financing Requirement (loans only);
- Net Loans Requirement = loan debt (less treasury management investments) forecast based on approved prudential borrowing and planned MRP;
- Liability Benchmark = Net Loans Requirement plus short-term liquidity allowance.

4.13. To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing – see Chart 1 below.

Chart 1 Liability benchmark



4.14. The liability benchmark indicates that the level of borrowing is forecast to be within the forecast CFR through to 2036/37. It should be noted that the forecast CFR is based on the latest forecast of asset disposals. It is heavily dependent on the Council achieving the forecast capital receipts from the asset disposal plan. If disposals are not achieved, then the CFR will be higher than forecast in Chart 1 above.

4.15. It should be noted that when the Council's debt was restructured in November 2025, £435m of borrowing was scheduled to fall due over the period 2035/36 and 2036/37. This was a deliberate policy to allow West Surrey flexibility in its future treasury management arrangements rather than fettering it with a lot of long-term borrowing. It may be that by then the new authority may have rationalised its overall asset base and generated further capital receipts which could be used to repay borrowing. Alternatively, the new authority may re-finance the borrowing but at lower rates than are currently available.

4.16. In the light of the Statutory Direction to adopt a strict debt reduction plan, the liability benchmark will be revisited during 2026/27.

SECTION 3 MANAGING CASH BALANCES

Investment outturn 2025/26

5.1. The Council’s investment position at the end of 2025/26 is summarised in Table 9 below.

Table 9 Investments

	2024/25 Actual	2025/26 Actual	Movement
	£m	**£m**	**£m**
Treasury investments:			
Pooled investment funds	2.9	0.0	(2.9)
Lending to other local authorities	13.0	17.1	4.1
Money Market Funds	4.3	4.1	(0.2)
Loans to Knowle Green Estates and Spelthorne Development Services	45.1	44.9	(0.2)
Investment Property	624.3	526.1	(98.2)
Total	**689.6**	**592.2**	**(97.4)**

5.2. The Council liquidated the residual £2.9m invested in the CCLA LAMIT Property Fund during 2025/26. It should be noted that the investment property balance at 31 March 2025 was restated by £37.6m from £586.7m to £624.3m to correct a mis-classification identified during the preparation of the 2025/26 Statement of Accounts

5.3. The only significant treasury investments in 2025/26 are all short-term – either loans to other local authorities or money held in money market funds. Investments all complied with the limits set out in the 2025/26 TMS, namely:

- no more than £10m with any single organisation except the UK Central Government; and
- no more than £5m invested with any local authority without a credit rating, which in practice caps lending to local authorities at £5m per local authority.

5.4. The Council operates a detailed cashflow model and manages cash to ensure that no more than £50,000 is held overnight. Any surplus cash is invested overnight.

5.5. The treasury investments and loans to companies are classed as non-specified investments under the Statutory Guidance on Local Government Investments issued by the then DCLG in 2018 as they are sums invested for more than 364 days. Table 9 above shows that such investments remained within the £70m limit set out in the 2025/26 TMS.

Commercial activity

5.6. As well as investing in assets owned by the Council and used in the delivery of services, the Council can also invest, where appropriate, in:

- Investment property for return
- Loans to third parties; and

- Shareholdings in companies and joint ventures.

5.7. Such investments are statutorily defined as capital expenditure for treasury management and prudential borrowing purposes even though they do not create physical assets in the Council's accounts. Appropriate budgets in respect of these activities are agreed as part of the Council's budget setting and ongoing monitoring processes are considered as part of the Annual Investment Strategy.

5.8. Currently the Council is invested in the following activities which fall within the category of commercial activity under the Prudential Code:

- An investment property portfolio valued at £526.1m at 31 March 2026 comprising 12 properties both within and without the borough;
- £44.9m of loans to two wholly owned Council subsidiary companies, the bulk of which is to Knowle Green Estates Ltd and
- £1 shareholdings in the two subsidiary companies, Knowle Green Estates Ltd and Spelthorne Direct Services Ltd

5.9. The Statutory Guidance on Local Government Investments issued by the then DCLG in 2018 requires local authorities to develop quantitative indicators to allow Councillors and the public to assess a local authority's total risk exposure because of its investment decisions.

5.10. The detailed performance of the Council's investment property portfolio was reported to the Commercial Assets Sub-Committee on 16 June 2026.The summary performance is set out in Table 10 below, which shows a significant level of net rental income being generated from the portfolio.

Table 10 Investment Property performance

	2025/26		
	Revised Budget	**Outturn**	**Movement**
	£m	**£m**	**£m**
Rental Income	(48.4)	(46.8)	1.6
Less Landlord costs	7.2	4.4	(2.8)
Net rental income receivable	**(41.2)**	**(42.4)**	**(1.2)**
MRP and interest	71.8	71.8	0.0
Net (Surplus)/Deficit	**30.6**	**29.4**	**(1.2)**

5.11. However, the £71.8m cost of servicing the borrowing associated with the investment portfolio exceeds the net rental receivable of £42.3m resulting in a net cost to the Council of £29.5m in 2025/26, with an average deficit of £33m per annum projected (disregarding the asset disposal programme now underway) over the six year period to 2031/32.

5.12. As has been previously reported the value of the investment property has fallen substantially since the assets were originally acquired. As at 31 March 2026 the overhanging debt (i.e. the difference between the Capital Financing Requirement and the value of the assets) was £370m. The debt is being serviced through a substantial Minimum Revenue Provision (MRP) set aside each year. Provided that the Council adheres to the asset rationalisation plan already in train, the anticipated capital receipts generated will substantially reduce the level of MRP and the overall cost to the Council of maintaining the investment portfolio.

5.13. The Council's investment in companies is summarised in Table 11 below:

Table 11 Council controlled companies

Net Worth 31/3/2025	Company name	Share ownership	Nominal Value	Net Worth 31/3/2026
£000s			**£**	**£000s**
16,670	Knowle Green Estates Ltd	1	1	9,138
72	Spelthorne Direct Services Ltd	1	1	88
16,742				**9,226**

5.14. The Council is not dependant on income generated by the companies, as they are not making a substantial return and were set up to deliver service policy objectives for the Council.

5.15. The Council has advanced loans to its two subsidiary companies, Knowle Green Estates and Spelthorne Development Services. Loans have been advanced at a small margin over PWLB – see Table 12 below

Table 12 Loans to Council controlled companies

Balance at 31/3/2025		Average interest rate	Balance at 31/3/2026
£000s		**%**	**£000s**
44,449	Knowle Green Estates Ltd - loans	0	42,381
2,500	Knowle Green Estates Ltd - debenture	0	2,500
207	Spelthorne Direct Services Ltd	0	160
47,156	**Total**		**45,041**

5.16. The Council has recognised an expected credit loss of £4.7m for the loans advanced to Knowle Green Estates Ltd as the value of the freehold assets held at 31 March 2026 has fallen below the balance of the loans advanced at the same date. The company has not generated an operating surplus since inception, and only is going concern through ongoing support from the Council, currently in the form of £0.9m of cashflow loans advanced in the past two years and a £2.5m debenture provided.

5.17. In line with the Statutory Direction, the Council engaged Savills to undertake a review of the financial viability of the company which reported back in March 2026. In summary, the review recommended transferring the housing assets to the Council to then transfer them onto the successor West Surrey unitary authority on 1 April 2027 and commence winding the company up.

SECTION 4 – SUMMARY OF PRUDENTIAL INDICATORS

6.1 The purpose of prudential indicators (PIs) is to provide a reference point or "dashboard" so that senior officers and Members can:

- easily identify whether approved treasury management policies are being applied correctly in practice and,
- take corrective action as required.

6.2 The Prudential Code identifies 7 key Prudential Indicators which have been reported in context throughout the Treasury Management Strategy alongside appropriate commentary as required. For completeness they are also reported in Table 13 below.

Table 13 Summary of Prudential Indicators

PI ref	Para ref		2024/25 Actual	2025/26 Estimate	2025/26 Outturn	RAG Indicator
			£m	£m	£m	
1	3.4	Capital expenditure	33.1	7.4	5.8	G
2	3.8	Capital Financing Requirement	1,163.8	1,166.6	1,119.7	G
3	3.9	Net debt v. CFR - (under)/over borrowed	(94.6)	(124.3)	(402.2)	G
		Ratio of financing costs to net revenue stream (Affordability):				
4a	3.1	excluding investment property income	315%	313%	309%	R
4b	3.11	including investment property income	78%	92%	93%	R
5a	4.8	Authorised limit for external debt		1,270	1,270	G
5b	4.8	Operational boundary for external debt		1,170	1,170	G
6	5.5	Limit on surplus funds held for more than 364 days (i.e. non-specified investments	65.3	70.0	66.1	G
		Maturity structure of borrowing				
7a	4.1	upper limit under 12 months		10%	2%	G
7b	4.1	lower limit 10 years or more		0%	100%	G

KEY	
Exceeds PI significantly	R
Near but not within PI	A
Within or at PI level	G

6.3 The Council's S151 officer has a responsibility to ensure that appropriate PIs are set and monitored and that any breaches are reported to Members. It should be noted that the two affordability indicators are unsustainably high. Until the Council's borrowing level is reduced to a level reflecting the size of the Council's taxbase, these indicators will continue to exceed the Prudential Indictor significantly.

6.4 The S151 Officer confirms that the PIs identified in the 2025/26 Treasury Management Strategy as amended in November 2025/26 have been complied with as summarised in Table 13 above.

Spelthorne Borough Council

Treasury Management Practices and Schedules

Contents

Treasury Management Practices, Principles and Schedules (TMPs) set out how this Council will seek to achieve its treasury management policies and objectives, and how it will manage and control those activities.

Treasury Management Practices

1. Risk management

General Statement

The S.151 Officer (currently the Deputy Chief Executive and S.151 Officer) will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, and will report at least annually on the adequacy and suitability of these arrangements. The S.151 Officer will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the Council's objectives in this respect in accordance with the procedures set out in **TMP6** ***Reporting requirements and management information arrangements***. For each of the following risks, the arrangements will seek to ensure compliance with these objectives as set out in the schedules below:

The following paragraphs cover the main areas of risk:

1. Credit and Counterparty Risk Management
2. Liquidity Risk Management
3. Interest Rate Risk Management
4. Exchange Rate Risk Management
5. Inflation risk management
6. Refinancing Risk Management
7. Legal and Regulatory Risk Management
8. Operational risk including Fraud, Error and Corruption
9. Price risk management
10. ESG considerations

Where this document refers to the Government, this refers to the Ministry for Housing, Communities and Local Government (MHCLG).

1. Credit and counterparty risk management

The Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with which funds may be deposited, and will limit its investment activities to the instruments, methods and techniques set out in TMP4 *Approved investments, methods and techniques*. The Council also recognises the need to have, and will therefore maintain, a formal counterparty policy on those organisations which it may borrow from, or which it may enter into other financing arrangements with.

Schedule:

Credit and counterparty risk is the risk of failure by a third party to meet its contractual obligations to the Council under an investment, borrowing, capital, project or partnership financing, particularly as a result of the third party's diminished creditworthiness, and the resulting detrimental effect on the Council's capital and revenue resources.

1.1 Criteria to be used for creating/managing approved counterparty lists/limits	The S.151 Officer is responsible for setting prudent criteria and the Council's treasury advisors will provide guidance and assistance in setting these criteria. The Council's treasury management advisors will advise on credit policy and creditworthiness related issues. The Council will maintain a counterparty list based on its criteria and will monitor and update the credit standing of the institutions on a regular basis. The Council will also take into account information on corporate developments of and market sentiment towards investment counterparties. The current criteria, set out in the Council's Annual Treasury Management Strategy, are agreed by Corporate Policy and Resources Committee and approved by Council.
1.2 Approved methodology for changing limits and adding/removing counterparties	The S.151 Officer has delegated responsibility to add or delete counterparties and to review limits within the parameters of the criteria detailed above.
1.3 Counterparty list and limits	A full individual listing of counterparties based on the criteria set out in Appendix C to the Treasury Management Strategy 2026/27.
1.4 Country, sector and group listings of counterparties and overall limits applied to each, where appropriate	Investments will be displayed so as to show total group exposure, total country exposure and total sector exposure. Group limits have been set for the above, in terms of monetary value, where appropriate.

1.5 Details of credit rating agencies' services and their application	The Council considers the ratings of all 3 main ratings agencies (Standard & Poor's, Moody's and Fitch) when making investment decisions. Credit rating agency information is just one of a range of instruments used to assess creditworthiness of institutions.
1.6 Description of the general approach to collecting/using information other than credit ratings for counterparty risk assessment	The Council's Treasury Advisor, currently Arlingclose, provides timely information on counterparties, in terms of credit rating updates and economic summaries. In addition, members of the treasury team read quality financial press for information on counterparties.

2. Liquidity risk management

The S.151 Officer will ensure the Council has adequate though not excessive cash reserves, borrowing arrangements, and overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business and service objectives.

In line with the Statutory Direction, the Council will not be incurring additional borrowing. Existing borrowing and loan maturities will be managed within approved borrowing limits approved by the Council in the annual Treasury Management Strategy.

Schedule:

Liquidity risk is the risk that cash is not available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the Council's business and service objectives will therefore be compromised.

2.1 Cash flow and cash Balances	The Council will aim for effective cash flow forecasting and monitoring of cash balances, will maintain a rolling 3-month cash flow forecast and is developing longer forecast through the TM CSL system. The Treasury Team shall seek to optimise the balance held in the Council's main bank accounts at the close of each working day in order to minimise the amount of bank overdraft interest payable or maximise the amount of interest that can be earned. In order to achieve the maximum return from investments, the target for the Council's bank account daily cash balance is up to £50,000 in, with a maximum limit of a £500,000 credit balance.
2.2 Short term investments	The balance on the Council's General bank account is used to deal with day to day cash flow fluctuations. The Council also uses various other deposit/ notice accounts and Money Market Funds to manage liquidity requirements. These account/ fund counterparties are named on the Council's approved counterparty list. The maximum balance on each of these counterparties is reviewed and set as part of the Council's Treasury Management strategy.
2.3 Temporary Borrowing	Temporary borrowing up to 364 days through the money market is available to cover cash flow deficits at any point during the year. At no time will the outstanding total of temporary and long-term borrowing together with any bank overdraft exceed the Prudential Indicator for the Authorised Borrowing Limit agreed by the Council before the start of each financial year.
2.4 Bank Overdraft and standby facilities	The Council has an authorised overdraft limit with its bankers, Lloyds Bank, of £50,000 at an agreed rate of 1% over base rate. The facility is used as a contingency when temporary borrowing is difficult or more expensive

3. Interest rate risk management

The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements in accordance with TMP6 *Reporting requirements and management information arrangements*.

Schedule

Interest rate risk is the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Council's finances, against which the Council has failed to protect itself adequately.

3.1 Minimum/ maximum proportions of fixed/variable rate debt/interest	Borrowing/investments may be at a fixed or variable rate. When funding asset acquisitions on a long-term funding basis, the Council will normally seek to borrow on a fixed rate basis to ensure certainty of financing commitments. In setting its forward Treasury Strategy on an annual basis, the Council will determine the necessary degree of certainty required for its plans and budgets but will, at the same time, allow sufficient flexibility to enable it to benefit from potentially advantageous changes in market conditions and levels of interest rates and also to mitigate the effects of potentially disadvantageous changes. The Council will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility.
3.2 Managing changes to interest rate levels	The main impact of changes in interest rate levels is to monies borrowed and invested at variable rates of interest. The Council will consider matching borrowing at variable rates with investments similarly exposed to changes in interest rates as a way of mitigating any adverse budgetary impact. Interest rate forecasts are provided by the Council's advisors and are closely monitored by the S.151 Officer. Variations from original estimates and their impact on the Council's debt and investments are notified to the Corporate Policy & Resources Committee as necessary. For its investments, the Council also considers dealing on forward periods depending on market conditions and options available in the market place.

3.3 Details of approved interest rate exposure limits	The upper limit for variable interest rate investments as a proportion of total investments is 100%. In terms of long-term borrowing, the Council can have no more than 100% in variable interest rate borrowings.

4. Exchange rate risk management

The Council will ensure that it protects itself adequately against the risk of fluctuations in foreign exchange rates creating an unexpected or unbudgeted burden on the Council's finances. It will manage any exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income and expenditure levels.

Schedule

The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the Council's finances against which the Council has failed to protect itself adequately.

4.1 Exchange rate risk management	This Council does not, on a day to day basis, have foreign currency transactions or receipts. Unexpected receipt of foreign currency will be converted to sterling at the earliest opportunity. If the Council has a contractual obligation to make a payment in a currency other than sterling, then forward foreign exchange transactions will be considered, with professional advice. At the present time, statute prevents the Council borrowing in currencies other than Sterling. The Council has also determined that all its investments will be in Sterling.

5. Inflation risk management

The Council will keep under review the sensitivity of its treasury assets and liabilities to inflation and will seek to manage the risk accordingly in the context of the whole organisation's inflation exposures.

6. Refinancing risk management

The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal and refinancing, if required, which are competitive and as favourable to the organisation as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid over-reliance on any one source of funding if this might jeopardise achievement of the above.

Schedule

The risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the organisation for those refinancings, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.

6.1 Projected capital investment requirements	A one-year projection of capital spending is currently in place up to abolition of the Council on 31 March 2027. In the run-up to local government reorganisation, there is a moratorium on significant capital developments or asset acquisitions. An indicative Capital Programme is in place for the three years 2027/28 to 2029/30 for the successor authority to consider. Both are fully funded without the need for additional borrowing in line with the Statutory Direction requiring a strict debt reduction plan. Financing will be from capital receipts, grants or contributions, revenue resources or reserves. Funding will be from internal or external borrowing, as decided. As required by the Prudential Code, the Council will undertake Options Appraisal to evaluate the best capital expenditure financing route. The Council's projected long-term borrowing requirement will be linked to the projected Capital Financing Requirement.
6.2 Debt profiling, policies and practices	Any longer-term borrowing will be undertaken in accordance with the Prudential Code and will comply with the Council's Prudential Indicators and the Annual Treasury Management Strategy. The Council will maintain through its own treasury system (CS Lucas) spreadsheets reliable records of the terms and maturities of its borrowings, capital, project and partnership funding and, where appropriate, plan and successfully negotiate terms for refinancing. Where the lender to the Council is a commercial body the Council will aim for diversification in order to spread risk and avoid over-reliance on a small number of counterparties.
6.3 Policy concerning limits on revenue consequences of capital financings	The revenue consequences of financing the capital programme are included in cash flow models, annual revenue estimates and medium-term forecasts.

7. Legal and regulatory risk management

The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under *TMP 1 (1) Credit and counterparty risk management*, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the Council, particularly with regard to duty of care and fees charged.

The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

Schedule

The risk that the Council itself, or a third party with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the Council suffers losses accordingly.

7.1 References to relevant statutes and regulations	The treasury management activities of the Council shall comply fully with legal statute and the regulations of the Council. These are: ▪ CIPFA's Treasury Management Code of Practice 2021 and subsequent amendments ▪ CIPFA Guide for Chief Financial Officers on Treasury Management in Local Authorities ▪ CIPFA Prudential Code for Capital Finance in Local Authorities 2021 and subsequent amendments ▪ CIPFA Standard of Professional Practice on Treasury Management ▪ The Local Government Act 2003 ▪ The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 SI 2003 No 3146, and subsequent amendments ▪ The Government's statutory Guidance on Minimum Revenue Provision (MRP) updated 2024 ▪ The Government's Guidance on Local Government Investments in England issued March 2004 and amended 2018 ▪ HM Treasury's Guidance Regarding PWLB Lending and the PWLB's new Operating Circular numbered 163 (Nov 2023) ▪ The Local Authorities (Contracting out of Investment Functions) Order 1996 SI 1996 No 1883 ▪ CIPFA (and previously LAAP) Bulletins ▪ Code of Practice on Local Authority Accounting in the United Kingdom based on International Financial Reporting Standards ▪ Accounts and Audit Regulations 2015, as amended ▪ The Non-Investment Products Code (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets ▪ Council's Constitution including:- o Standing Orders relating to Contracts o Financial Regulations o Scheme of Delegation

7.2 Procedures for evidencing the organisation's powers/ authorities to counterparties	The Council's Financial Regulations contain evidence of the power/ authority to act as required by section 151 of the Local Government Act 1972, under the general direction of the Corporate Policy & Resources Committee. The Council will confirm, if requested to do so by counterparties, the powers and authorities under which the Council effects transactions with them. Where required, the Council will also establish the powers of those with whom they enter into transactions, including any compliance requirements in respect of a duty of care and best practice.
7.3 Required information from counterparties concerning their powers/ authorities	Lending shall only be made to institutions as defined by the Council's TM Strategy. The Council will only undertake borrowing from approved sources such as the PWLB, organisations such as the European Investment Bank and from commercial banks who are on the Council's list of authorised institutions, thereby minimising legal and regulatory risk. The list of approved sources of borrowing is contained in TMP 4, 1.2.
7.4 Statement on political risks and management of the same	Political risk is managed by: • adoption of the CIPFA Treasury Management Code of Practice • adherence to Local Code of Corporate Governance and as set out in *TMP 12 – Corporate Governance* • adherence to the Statement of Professional Practice by the S.151 Officer. • the role of the Corporate Policy & Resources Corporate Policy & Resources Committee.

8. Operational risk including fraud, error and corruption, and contingency management

The Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

Schedule

This is the risk that the Council fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk referred to as operational risk.

8.1 Details of systems and procedures to be followed, including Internet services	Segregation of duties minimises the possibility of fraud and loss due to error, and is detailed in ***TMP5 Organisation, clarity and segregation of responsibilities, and dealing arrangements***. c. <u>Electronic Banking and Dealing</u> *Banking*: The Council's online banking service is provided by Lloyds Bank and is subject to separate log-on and password control allowing varying levels of access. Details of transactions and balances are available as required, and the system also holds historic data. Officers with access to the bank's online system are as follows:

Name	**Role**	**Access 1**	**Access 2**	**Access 3**
T Collier	Deputy Chief Executive & S. 151 Officer	Read	Approve	
A Bozhani	Deputy Chief Finance Officer	Read	Approve	
E Grodzka	Strategic Finance manager - Financial Accounting	Read	Approve	
B Hanger	Strategic Finance Manager - Management Accounting	Read	Approve	
J Hawkes	Finance Systems Manager	Read	Approve	System Admin
N Brown	Finance Business Partner	Read	Approve	
S Johnson	Finance Systems Officer	Read	Approve	System Admin
A Sood	Finance Business Partner	Read	Input	
V Barlow	Senior Finance Officer (Treasury Management)	Read	Input	
A Denness	Income & Accounts Payable Manager	Read	Input	
E Stewart	Service business Partner	Read	Input	

	Officer access is reviewed at least 6-monthly or as necessary. Procedure notes covering the day-to-day operation of the online banking system and treasury management procedures are documented and included in the Treasury Management system folder. 2. <u>Standard Settlement Instructions</u> (SSI) list: a list is maintained of named officers who have the authority to transact loans and investments • Brokers and counterparties with whom the Council deals direct are provided a copy of the SSI list. • A list of named officers with authority to borrow from the PWLB and invest with the Debt Management Agency Deposit Facility is also maintained with the PWLB/DMADF.
	3. <u>Payment Authorisation</u>: • Payments can only be authorised by the approved signatories of the Council. The list of signatories has been previously agreed with the Council's bankers. • Inflow and outflow of monies borrowed and invested will only be from the counterparty's bank accounts. • Separate officers will carry out (a) dealing and (b) recording of transactions and disbursements wherever possible. However, this will not always be possible due to staff numbers.
8.2 Verification	Details of loans and investments will be maintained in treasury management spreadsheet which will include fees and brokerage paid. Transactions will be cross-checked against broker notes, counterparty confirmations and PWLB loan schedules by verifying dates, amounts, interest rates, maturity, interest payment dates etc.
8.3 Substantiation	1. The Treasury Management system balances are reconciled with financial ledger codes at the end of each month and at the financial year end. 2. Working papers are retained for audit inspection. 3. The bank reconciliation is carried out monthly from the bank statement to the general ledger system, Integra.
8.4 Internal Audit	Internal Audit carry out an annual regulatory review of the treasury management function including probity testing. *See TMP7 Budgeting accounting and audit arrangements.*

8.5 Contingency Management	1. Treasury files are kept on the Council's network. Daily back-ups are maintained corporately by the ICT service. Network backups can be used to restore files and if necessary can be accessed from sites remote from the Council offices. 2. The Council has access to a Treasury Management system on a secure site managed by CS Lucas. 3. Electronic Banking System Failure: Daily bank balances for calculating cash flow requirements can be obtained by telephone from the Lloyds Corporate Banking Online (CBO) helpline on 0808 202 1390 by the authorised users, who have security information that will be requested by the bank before sensitive information is provided. 4. CHAPs, Faster Payments, other transfers, stop cheque requests, and so on, can be done directly by the bank. 5. The Accountancy Team maintains an up-to-date Business Continuity Plan
8.6 Insurance cover details	The Council has Fidelity, Professional Indemnity and Business Interruption cover. Details of the provider and cover are held by the Insurance Officer.
8.7 TM system	The TM 'CS Lucas' system was implemented during 2020 and has been incorporated into the TM function. This is an online facility provided by company CS Lucas, which provides support including system procedure notes. The system will be used to support accounting and management of the council's TM function, but is not, and currently will not, be used for trades or financial transactions.

9. Market risk and price risk management

The Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests and will accordingly seek to protect itself from the effects of such fluctuations.

Schedule

This is the risk that, through adverse market fluctuations in the value of the principal sums the Council borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.

9.1 Details of approved procedures and limits for controlling exposure to investments whose capital value may fluctuate (gilts, CDs etc)	Investment instruments used by external fund managers, where applicable, may be subject to fluctuation in capital movements and exposed to interest rate risk. To minimise these risks, capital preservation is set as the primary objective and pursuit of investment performance should be commensurate with this objective. Additionally, the following risk control guidelines are set for each fund as part of the fund management agreement to control market risk: (a) Maximum weighted average duration of the fund; (b) Maximum permitted exposure to gilts/bonds; (c) Maximum maturity of any instrument.
9.2 Accounting for unrealised gains and losses	The method of accounting for unrealised gains or losses on the valuation of financial assets complies with the Accounting Code of Practice.

10. ESG considerations

Given that the Council will be abolished on 31 March 2027 and the Statutory Direction in place requiring a strict debt reduction policy to be implemented the Annual Investment Strategy will be to invest short-term, primarily by lending to other local authorities in line with the Council's cashflow forecasts. Consequently, whilst the Council supports investment in Economic, Social and Governance (ESG) types of vehicle, in practice this is unlikely to occur in the run-up to LGR.

Treasury Management Practices

2. Performance measurement

The Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its Treasury Management Policy Statement.

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the Council's stated business and service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the treasury management function will be measured using the criteria set out below.

Schedule

1.1 Policy concerning methods for testing value for money	Best value reviews will include the production of plans to review the way services are provided by • Challenging • Comparing performance • Consulting with other users and interested parties • Applying competition principles in order to pursue continuous improvement in the way the Council's functions are exercised, having regard to a combination of value for money, efficiency and effectiveness.

1.2 Policy concerning methods for performance measurement	• Performance measurement at this Council is intended to calculate the effectiveness of treasury activity in delivering the strategic objectives set through the Treasury Management Strategy and the Council's Prudential Indicators and to enhance accountability. • Prudential Indicators are local to the Council and are not intended as a comparator between authorities. • The performance review will be made in the light of general trends in interest rates during the year and how the decisions made corresponded with these trends and the Council's agreed strategy, i.e. the Council will avoid hindsight analysis. Any comparison of the Council's treasury portfolio against recognised industry standards, market indices and other portfolios is intended to (i) allow the Council the opportunity to assess the potential to add value through changes to the existing ways in which its portfolio is managed and (ii) permit an informed judgement about the merits or otherwise of using new treasury management techniques or instruments. In drawing any conclusions, the Council will bear in mind that the characteristics of its treasury operations may differ from those of other councils, particularly with regard to the position on risk.
1.3 Methodology to be applied for evaluating the impact of treasury management decisions	Monitoring of the outcome of treasury management activity against Prudential Indicators approved by the Council will be carried out as part of the budget monitoring reports to the Corporate Policy & Resources Committee on an annual basis. The year-end Annual Outturn Treasury Report will also include, as a matter of course, the outturn against the PIs set prior to the commencement of the financial year and any in-year amendments.

1.4 Methodology to be employed for measuring the performance of the Council's treasury management activities	Treasury management activity is reviewed annually against strategy and prevailing economic and market conditions through the Annual Treasury Report to Corporate Policy & Resources Committee. The report will include: a) Total debt including average rate and maturity profile b) The effect of new borrowing and/or maturities on the above c) The effect of any debt restructuring on the debt portfolio d) An analysis of any risks inherent within the debt portfolio - e) Total investments including average rate, credit and maturity profile f) The effect of new investments/redemptions/maturities on the above g) The rate of return on investments against their indices for internally and externally managed funds (if held) h) An analysis of any risks inherent within the investment portfolio (e.g. exposure to market movements in the value of Certificates of Deposit (CDs), gilts/bonds, callable deposits in their call period) i) A statement whether the treasury management activity resulted in a breach of the Prudential Indicators and other limits set within treasury strategy. j) Daily bank balances: any major deviations from the target bank balances
1.5 Benchmarks and calculation methodology with regard to risk and return	**Treasury Management Costs** Costs are compared with other Councils within the Surrey Benchmarking statistics. **Investment returns** are compared to the 3-month Stirling Overnight Index Average (SONIA.) • Internally Managed Investment Returns - total interest accruing during the month or year on average daily balances invested during the calendar month. • Externally Managed Investment Returns - the growth (i.e. increase in value of the fund) in respect of the monthly average value of the fund. **Debt Management** ▪ Average Rate on all external debt ▪ Average Rate on external debt borrowed in financial year ▪ Average Rate on internal borrowing ▪ Average period to maturity of external debt ▪ Average period to maturity of new loans in financial year ▪ Ratio of PWLB and market debt (beginning and end of period) ▪ Ratio of fixed and variable rate debt (beginning and end of period)

1.6 Best value	The treasury management function will be the subject of ongoing analysis of the value it adds in support of the Council's stated corporate and service objectives. When tendering for treasury-related or banking services, the Council adheres to its Standing Orders and Financial Regulations. These require that: a) for placing a contract with a value below the UK Procurement threshold of £207,729, the process to be followed is set out in sections 18-23 of the Council's Contract Standing Orders - Feb 2026 Copy. b) when placing a contract with a value in excess of £207,720 a tendering process that meets the requirements of the Procurement Act 2023) is undertaken. c) If necessary, the Council will also consult with other users of similar services as well as with interested parties. d) The Council will also evaluate alternative methods of the availability of fiscal, grant or subsidy initiatives, and service delivery.

Treasury Management Practices

3. Decision making and analysis

The Council will maintain full records of its treasury management decisions, and of processes and practices applied in reaching those decisions, both for the purpose of learning from the past and for demonstrating that all reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at that time. The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed below.

Schedule

1.1 Major treasury decisions	As a public service organisation, there is a requirement to demonstrate openness and accountability in treasury management activities. Accordingly, the Council will create and maintain an audit trail of major treasury management decisions which comprise either: a) Changes to Prudential Indicators during the course of the financial year b) Options Appraisal to determine a funding decision c) raising a new long-term loan / long-term source of finance d) prematurely restructuring/redeeming an existing long-term loan e) investing longer-term (that is, more than 1 year) f) f) utilisation of investment instruments which constitute capital expenditure (i.e. loan/share capital in a body corporate) g) leasing h) change in banking arrangements i) appointing/replacing a treasury advisor j) appointing/replacing a fund manager *k)* any other determined by the Council
1.2 Process	The Council's strategy for the application of its treasury policy is set out in the annual Treasury Management Strategy. Based on the Annual Treasury Management Strategy, the Interim Deputy Chief Finance Officer will prepare monthly for the financing, borrowing and surplus cash requirements of the Council, for the purpose of: • applying the strategy on a day to day basis • monitoring the results of the strategy • Recommending amendments to the strategy to the Corporate Policy & Resources Committee where applicable during the course of the year.

1.3 Delegated powers for treasury management	The S.151 Officer has delegated powers to carry out the Council's strategy for debt management, capital finance and borrowing, depositing surplus funds and managing the cash flows of the Council.
1.4 Issues to be addressed, evaluation, authorisation	In exercising these powers, the S.151 Officer and those to whom the treasury activity has been delegated will: • have regard to the nature and extent of any associated risks to which the Council may become exposed; • be certain about the legality of the decision reached and that the necessary authority to proceed has been obtained; • be satisfied that the documentation is adequate to deliver the Council's objectives, protect the Council's interests, and to maintain an effective audit trail; • ensure that the perceived credit risk associated with the approved counterparties parties is judged satisfactory and is within agreed limits; • be satisfied that the terms of any transactions have been fully checked against the market, and have been found to be competitive; • follow best practice in implementing the treasury transaction. In exercising Borrowing and Funding decisions, the S.151 Officer will: • evaluate economic and market factors that may influence the manner and timing of any decision to fund; • consider alternative forms of funding, including use of revenue resources, leasing, joint ventures and private partnerships; • consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles; • consider ongoing revenue liabilities created. In exercising investment decisions, the S.151 Officer will: • Determine that the investment is within the Council's strategy and pre-determined instruments and criteria; • consider the optimum period, in the light of core balances and reserves, cash flow availability and prevailing market conditions; • consider the alternative investment products and techniques available if appropriate.
1.5 Processes to be followed	The processes to be followed will be in keeping with *TMP 4: Approved, Instruments, Methods and Techniques*.

1.6 Evidence and records to be kept	The Council will maintain a record of all major treasury management decisions, the processes undertaken and the rationale for reaching the decision made. These will allow for an historical assessment of decisions made and verification that any checks and safeguards are indeed in place and operating correctly. Records and working papers will be maintained by the Council both electronically and in relevant files.

Treasury Management Practices

4. Approved instruments, methods and techniques

The Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the schedule to this document, and within the limits and parameters defined in **TMP1 *Risk Management***.

Schedule

1.1 Approved treasury management activities	The Council is permitted to undertake the following activities: ▪ Managing cash-flow ▪ Capital financing ▪ Borrowing including debt restructuring and debt repayment ▪ Lending including redemption of investments ▪ Banking ▪ Leasing ▪ Managing the underlying risk associated with the Council's capital financing and surplus funds activities. The above list is not finite and the Council would, from time to time, consider and determine new financial instruments and treasury management techniques. However, the Council will consider carefully whether the officers have the skills and experience to identify and manage the advantages and risks associated with using the instruments/techniques before undertaking them, more so as some risks may not be wholly or immediately transparent.

1.2 Approved capital financing methods and types/sources of funding	<u>On balance sheet</u> • Public Works Loans Board (PWLB) loans • • temporary money market loans (up to 364 days). • bank overdraft • loans from bodies such as the European Investment Bank (EIB) • loans to and from other local authorities • Right of Use Leases • Government Capital Grants • Lottery monies • Other Capital Grants and Contributions • Community Infrastructure Levy • S106 funds <u>Internal Resources</u> • Capital Receipts • Revenue Balances • Use of Reserves <u>Off balance sheet</u> ▪ Short-term Leases (i.e. less than 12 months) The level of debt will be consistent with the Treasury Management Strategy and the Prudential Indicators.
1.3 Approved investment instruments	The Council will determine through its Annual Investment Strategy (AIS) which instruments it will use, giving priority to the security and liquidity (in that order) of its invested monies. The investments will be categorised as 'Specified' or 'Non-Specified' based on the criteria set out by Government in its Investment Guidance February2018 (as amended). The Council will determine through the AIS which instruments will be used in-house and which will be used by the appointed external fund manager (where applicable) including the maximum exposure for each category of non-specified investments. Where applicable, the Council's credit criteria will also apply. ▪ Deposits with the UK government, the Debt Management Agency Deposit Facility (DMADF), and UK local authorities ▪ Term deposits with banks and building societies ▪ Certificates of deposit ▪ Callable deposits ▪ Investments in Money Market Funds , i.e. 'AAA' liquidity funds with a 60-day Weighted Average Maturity (WAM) ▪ Gilts

Treasury Management Practices

5. Organisation, clarity and segregation of responsibilities, and dealing arrangements

The Council considers it essential, for the purposes of effective control and monitoring of its treasury management activities, and for the reduction of risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner and that there is at all times clarity of treasury management responsibilities.

The principles on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

If and when the Council intends, as a result of a lack of resources or other circumstances, to depart from these principles, the S.151s Officer will ensure that the reasons are properly reported in accordance with TMP6 Reporting requirements and management information arrangements, and the implications properly considered and evaluated.

The S.151 Officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The S.151 Officer will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out. The present arrangements are detailed in the schedule below.

The S.151 Officer will ensure that there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in the schedule below.

The delegations to the S.151 Officer in respect of treasury management are set out in the schedule below. The S.151 Officer will fulfill all such responsibilities in accordance with the Council's policy statement and TMPs and, if a CIPFA member, the Standards of Professional Practice on Treasury Management.

Schedule

Organisational chart of the Treasury Management function:

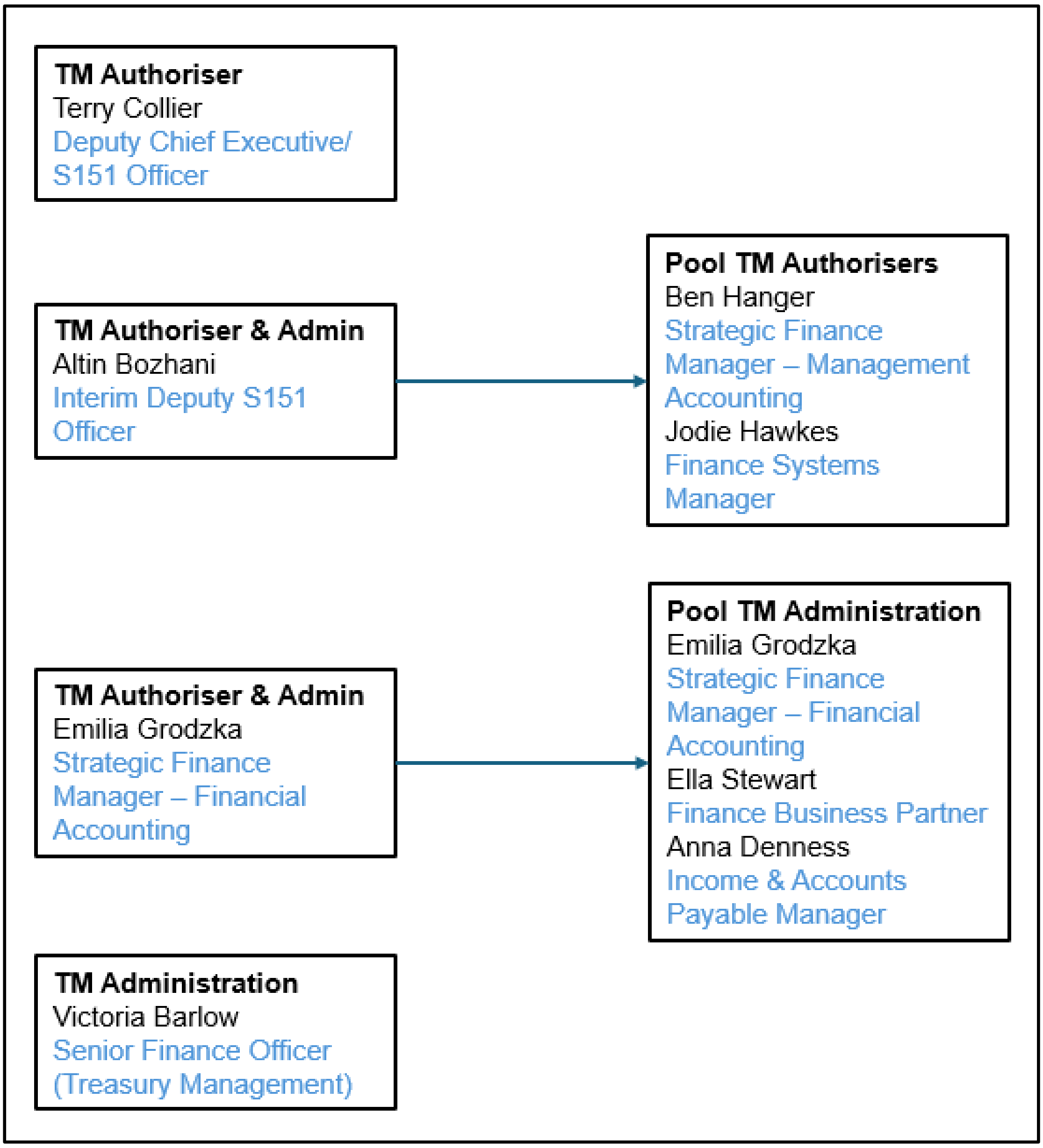


Figure 1

1.1 Limits to responsibilities at Executive levels	Full Council: • receiving and reviewing Prudential Indicators as part of the budget setting process (following receipt by Corporate Policy & Resources Committee) • receiving and reviewing reports on treasury management policies, practices and activities (following receipt by Corporate Policy & Resources Committee) The Corporate Policy & Resources Committee: • approval of amendments to adopted clauses, treasury management policy statement and treasury management practices. • budget consideration and approval • receiving and reviewing external audit reports and acting on recommendations • approving the selection of external service providers and agreeing terms of appointment
1.2 Principles and practices concerning segregation of duties	The segregation of duties will be determined by S.151 Officer. Segregation of duties exists in that: • the officer responsible for negotiating and closing treasury management deals are completely separate from the officer with responsibility for recording the transactions in the cash book and completing cheque and bank reconciliations. • the officer responsible for negotiating and closing treasury management deals is separate from the officer authorising payments. • all borrowing/investments decisions must be authorised by the S.151 Officer. Additionally, The Council receives bank statements on a daily basis. These are posted independent of the treasury function in order to maintain an adequate separation of duties.

1.3 Statement of duties/ responsibilities of each treasury post	The S.151 Officer: • submitting budgets and budget variations • recommending clauses, treasury management policy, practices for approval, reviewing the same regularly and monitoring compliance • determining Prudential Indicators and Treasury Management Strategy including the Annual Investment Strategy • submitting regular treasury management policy reports • receiving and reviewing management information reports • reviewing the performance of the treasury management function and promoting best value reviews • ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function • ensuring the adequacy of internal audit and liaising with external audit • recommending the appointment of external service providers • determining long-term capital financing and investment decisions. • The S.151 Officer has delegated powers to determine and undertake the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments. • The S.151 Officer may delegate their power to borrow and invest to the Interim Deputy Chief Finance Officer, Treasury Manager , Accountants and Accountancy Assistants.

<table>
<tr><td></td><td>The Strategic Financial Manager: (Financial Accounting) – Emilia Grodzka

execution of transactions
adherence to agreed policies and practices on a day-to-day basis
maintaining relationships with third parties and external service providers
monitoring performance on a day-to-day basis
submitting management information reports to the responsible officer
identifying and recommending opportunities for improved practices.

The Senior Finance Officer (Treasury Management) – Victoria Barlow:

execution of transactions
adherence to agreed policies and practices on a day-to-day basis
maintaining relationships with third parties and external service providers
recording treasury management transactions,
reconciling treasury management transactions with the financial ledger
recording/ reconciling counterparty documentation.
</td></tr>
<tr><td>1.4
Absence cover arrangements</td><td>Cover in the absence of the relevant treasury management officer is provided by:

Interim Deputy Chief Finance Officer – Altin Bozhani
Senior Finance Officer (Treasury Management) – Victoria Barlow
Accountants as noted in the TM chart above.

Cover is reviewed at least every 6 months, or as necessary.
Full procedure notes are available, detailing the processes required to enable the day-to-day operation of the treasury management function.</td></tr>
</table>

Dealing

1.5 Authorised officers	Responsible officer for borrowing/ investment decisions: Mainly Interim Deputy Chief Finance Officer – Altin Bozhani Strategic Financial Manager (Financial Accounting) – Emilia Grodzka Senior Finance Officer (Treasury Management) -Vicotria Barlow Authorising payments for borrowing/lending: Deputy Chief Executive – Terry Collier Interim Deputy Chief Finance Officer – Altin Bozhani Any other Council first signatory Bank payment and ICD portal trade authoriser*: Deputy Chief Executive – Terry Collier Interim Deputy Chief Finance Officer – Altin Bozhani Strategic Financial Manager (Financial Accounting) – Emilia Grodzka Strategic Financial Manager (Management Accounting) – Ben Hanger Business Systems Manager – Jodie Hawkes Transaction recording*: Senior Finance Officer (Treasury Management) – Victoria Barlow * As part of segregation of duties, the authoriser must be separate from the person who sets up the transaction.
1.6 Dealing limits	Internally Managed Investments: • The maximum for any one investment deal is subject to the lending limits detailed in the Council's Treasury Management Strategy. Externally Managed Investments (where applicable): • The maximum amount placed with any single financial institution is determined and formalised through the guidelines contained in the Agreement between the Council and the Manager(s).
1.7 List of approved brokers	Brokers used by the Council are named in *TMP 11: External Service Providers*

1.8 Policy on brokers' services	It is the Council's policy to utilise the services between at least two brokers. Tradition is usually used because they meet the Council's exact borrowing and lending requirements. However, each Tradition deal is judged against money market rates provided by other brokers to ensure competitiveness is maintained and that the best deal achieved for the Council.
1.9 Policy on taping of conversations	The Council does not tape conversations with brokers but brokers tape conversations with officers of the Council.
1.10 Direct dealing practices	Direct dealing is carried out with institutions subject to counterparty and maturity limits and dealing limits. Prior to undertaking direct dealing, the Council will ensure that each counterparty meets the Council creditworthiness criteria and has been provided with the Council's Standard Settlement Procedures.
1.11 Settlement transmission procedures	• settlements are made by CHAPS. • all CHAPS payments relating to settlement transactions (PL3 payment form) require authorisation by 1 authorised signatory. • the details are transmitted by electronic CHAPs to the Council's bankers. • all CHAPS payments made electronically via the bank require 2 authorised signatories.
1.12 Documentation requirements	For each deal undertaken a record should be prepared giving details of dealer, amount, period, counterparty, interest rate, dealing date, payments date and broker. Investments: • deal ticket authorising the investment. • confirmation from the broker • confirmation from the counterparty • Chaps' payment transmission document Loans: • deal ticket with signature to agree loan • confirmation from the broker • confirmation from PWLB/market counterparty • Chaps' payment transmission document for repayment of loan.
1.13 Arrangements concerning the management of counterparty funds	The Council does not manage any third party funds.

Treasury Management Practices

6. Reporting requirements and management information arrangements

The Council will ensure that regular reports are prepared and considered on the implementation of the treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from the regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.

As a minimum the Corporate Policy & Resources Committee will receive:

- An annual report on the strategy and plan to be pursued in the coming year
- A mid-year review
- An annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the Council's Treasury Management Policy Statement and TMPs.

The Corporate Policy & Resources Committee will receive regular monitoring reports on treasury management activities and risks and the Corporate Policy & Resources Committee will have responsibility for the scrutiny of treasury management policies and practices.

The present arrangements and the form of these reports are outlined below.

Schedule

1.1 Frequency of executive reporting requirements	The S.151 Officer will annually submit budgets and will report on budget variations as appropriate. The S.151 Officer will submit the **Prudential Indicators** and the **Treasury Management Strategy** and report on the projected borrowing and investment strategy and activity for the forthcoming financial year to the Corporate Policy & Resources Committee and the Council before the start of the year. The **Annual Treasury Report** will be prepared as soon as practicable after the financial year end and, in all cases, before the end of September. A **Mid-Year Treasury Report** will be prepared by the S.151 Officer which will report on treasury management activities for the first part of the financial year. The report will also provide a forecast for the current year. The Mid-Year Report will be submitted to Corporate Policy & Resources Corporate Policy & Resources Committee during the year. Corporate Policy & Resources Committee

1.2 Content of Reporting: 1. Prudential Indicators	The Council will set the following Prudential Indicators, revise if necessary, and following the year end publish actual (where appropriate) in respect of: ▪ Financing costs as a proportion of net revenue stream (estimate; actual) ▪ Financing costs as a proportion of net revenue stream including net income from investment property (estimate; actual) ▪ Proportion of net income from investment property ▪ Capital expenditure (estimate; actual) ▪ Incremental impact of capital financing decisions (estimate) ▪ Capital Financing Requirement (estimates; actual) ▪ Authorised limit for external debt ▪ Operational boundary for external debt ▪ Actual external debt ▪ Upper and lower limits to maturity structure of fixed rate borrowing ▪ Upper limit to total of principal sums invested longer than 364 days. ▪ Minimum Revenue Provision statement The Prudential Indicators are approved and revised by Corporate Policy & Resources Committee and are integrated into the Council's overall financial planning and budget process. The Corporate Policy & Resources Committee will also receive a copy of this report to carry out its scrutiny role of treasury management.

2. Treasury Management Strategy Statement	The Treasury Management Strategy will include the following: • Link to Capital Financing and Treasury Management Prudential Indicators for the current and ensuing 3 years • Strategy for financing new borrowing requirements (if any) and refinancing maturing borrowing (if any) over the next 3 years and for restructuring of debt • the extent to which surplus funds are earmarked for short term requirements • the investment strategy* for the forthcoming year • the minimum to be held in short term/specified investment during the coming year • the interest rate outlook against which the treasury activities are likely to be undertaken. * *Investment strategy*: Based on the Government's Guidance on Investments, the report will set out ▪ the objectives, policies and strategy for managing its investments; ▪ the determination of which Specified and Non-Specified Investments the Council will utilise during the forthcoming financial year based on the Council's economic and investment outlook and the expected level of investment balances; ▪ the limits for the use of Non-Specified Investments. The Corporate Policy & Resources Committee will also receive a copy of this report to carry out its scrutiny role of treasury management.

3. Annual Treasury Report	The S.151 Officer will produce an annual report for the Corporate Policy & Resources Committee on all activities of the treasury management function, including the performance of fund managers where applicable, as soon as practicable after year end and in all cases no later than 30 September of the succeeding financial year. The main contents of the report will comprise: ▪ confirmation that the Council calculated its budget requirements and set a balanced budget for the financial year; ▪ the prevailing economic environment ▪ a commentary on treasury operations for the year, including their revenue effects; ▪ commentary on the risk implications of treasury activities; undertaken and the future impact on treasury activities of the Council; ▪ compliance with agreed policies/practices and statutory/regulatory requirements; ▪ compliance with Prudential Indicators; ▪ performance measures. The Corporate Policy & Resources Committee will also receive a copy of this report to carry out its scrutiny role of treasury management.
4. Mid-Year Treasury Report	The S.151 Officer will produce a mid-year report for Corporate Policy & Resources Committee on the borrowing and investment activities of the treasury management function, including performance of fund managers where applicable, for the first six months of the financial year. The main contents of the report will comprise: • Economic background • Economic forecast, including interest rates forecast • Treasury Management Strategy Statement update • Performance versus benchmarks • Borrowing information, including premature repayment, new loans information • Information on investments, including current lending list • Prudential indicators relating to treasury management • Governance framework and scrutiny arrangements The Corporate Policy & Resources Committee will also receive a copy of this report to carry out its scrutiny role of treasury management.

1.3 Content and frequency of management information reports	The Interim Deputy Chief Finance Officer produces a monthly monitoring report for the the Deputy Chief Executive and s.151 Officer. The Interim Deputy Chief Finance Officer includes this information in quarterly budget monitoring statements for Corporate Policy & Resources Committee. These reports include details of: • borrowing and investment activity undertaken • performance of internal and external investments against benchmark • interest rates and forecasts • extent of compliance with the treasury strategy and reasons for variance (if any) •

Treasury Management Practices

7. Budgeting, accounting and audit arrangements

The s.151 Officer will prepare, and the Council will approve and, if necessary, from time to time amend, an annual budget for treasury management, which will bring together all the costs involved in running the treasury management function, together with associated income. The matter to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with **TMP1 *Risk management*, TMP2 P*erformance management*, and TMP4 *Approved instruments, methods and techniques***. The form that the Council's budget will take is set out in the schedule below.

The s.151 Officer will exercise effective controls over this budget and will report upon and recommend any changes required in accordance with **TMP6 *Reporting requirements and management information arrangements***.

The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being. The present form of the Council's accounts is set out in the schedule.

The Council will ensure that its auditors and those charged with regulatory review, have access to all the information and papers supporting the activities of the treasury management function as are necessary for the proper fulfilment of their roles, and that such information and papers will demonstrate compliance with external and internal policies and approved practices. The information made available under present arrangements is detailed below.

Schedule

1.1 Statutory/regulatory requirements	***Balanced Budget Requirement*** The provisions of S32 and S43 of the Local Government Finance Act 1992 require this Council to calculate its budget requirement for each financial year including, among other aspects: (a) the expenditure which is estimated to be incurred in the year in performing its functions and which will be charged to a revenue account and (b) revenue costs which flow from capital financing decisions. S33 of the Act requires the Council to set a council tax sufficient to meet expenditure after taking into account other sources of income.
1.2 Proper accounting practice	CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom (the "Code") constitutes "proper accounting practice under the terms of s.21(2) of the Local Government Act 2003".

1.3 Financial Statements	The Financial Statements comprise: ▪ An explanatory foreword ▪ Accounting policies, changes in accounting estimates and errors ▪ Presentation of financial statements ▪ Movement in reserves statement ▪ Comprehensive income and expenditure statement ▪ Balance sheet ▪ Cash flow statement ▪ Collection Fund (England) ▪ Statement of Responsibilities ▪ The Accounting Statements ▪ Additional Financial Statements (Collection Fund) ▪ Notes to the financial statements ▪ Statements reporting reviews of internal controls or internal financial controls ▪ Events after the reporting period ▪ Related party disclosures ▪ Annual Governance Statement
1.4 Format of the Council's accounts	The current form of the Council's accounts is available within the Finance Department, Accountancy Section.
1.5 Disclosures relating to treasury management	Due regard will be given to the disclosure requirements under CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom.

1.6 Treasury-related information requirements of external auditors	The following information is specifically requested by the external auditor and should be considered an initial request for information. It is usually followed by more detailed audit testing work which often requires further information and/or explanations from the Council's officers. Information is this context includes internally generated documents including those from the Council's spreadsheets, externally generated documents, observation of treasury management practices which support and explain the operation and activities of the treasury management function. • Determination of Affordable Borrowing Limit under Section 3 of the Local Government Act 2003. • Prudential Indicators. • Treasury Management Strategy including Annual Investment Strategy. <u>External borrowing</u>: • New loans borrowed during the year: PWLB certificates / documentation in relation to market loans borrowed (including copy of agreements, schedule of commitments) • Loan maturities. • Compliance with proper accounting practice, regulations and determinations for the amortisation of premiums and discounts arising on loans restructured during the year and previous years. • Analysis of loans outstanding at year end including maturity analysis. • Analysis of borrowing between long- and short-term • Debt management and financing costs • calculation of interest paid • actual interest paid • accrued interest • MRP calculation and analysis of movement in the CFR. • Bank overdraft position. • Brokerage/commissions/transaction related costs.

<table>
<tr><td></td><td><u>Investments</u>:
Investment transactions during the year including any transaction-related costs
cash and bank balances at year end
Short-term investments at year end
Long-term investments at year end by asset type, including unrealised gains or losses at year end
calculation of interest received and accrued interest
actual interest received
External fund manager valuations, where applicable, including investment income schedule and movement in capital values, transaction confirmations received
Basis of valuation of investments
Evidence of existence and title to investments</td></tr>
<tr><td></td><td><u>Cash Flow</u>
Reconciliation of the movement in cash to the movement in net debt
Cash inflows and outflows in respect of long-term financing
Cash inflows and outflows in respect of purchase/sale of long-term investments
Net increase/decrease in short-term loans, short-term deposits and other liquid resources
<u>Other</u>
Details of treasury-related material events after balance sheet date not reflected in the financial statements.
External advisors'/consultants' charges</td></tr>
<tr><td>1.7
Internal Audit</td><td>Internal Audit generally conducts an annual review of the treasury management function and probity testing.
The internal auditors will be given access to treasury management information/documentation as required by them.</td></tr>
<tr><td>1.8
Compliance with CIPFA Treasury Management and Prudential Codes</td><td>Auditors may require evidence/demonstration of compliance with external and internal treasury management policies and strategy.

Any serious breach of the CIPFA Treasury Management Code of Practice recommendations or Prudential Indicators should be brought to the attention of the external auditor.</td></tr>
<tr><td>1.9
Costs for treasury management</td><td>The budget for treasury management forms part of the Corporate Services budget.</td></tr>
</table>

Treasury Management Practices

8. Cash and cash flow management

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under control of the s.151 Officer and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the s.151 Officer will ensure that they are adequate for the purposes of monitoring compliance with TMP1 (2) Liquidity *Risk management*. The present arrangements for preparing cash flow projections, and their form, are set out in the schedule to this document.

Schedule

1.1 Arrangements for preparing /submitting cash flow statements	Cash flow forecasts are over three time-horizons and are used to inform the Council's borrowing and investment strategy by identifying periods of surplus or shortfall of cash balances. The CS Lucas TM system is being used in parallel with spreadsheet forecasting. The cash flow forecasts and statements are held at operational level. The accuracy and effectiveness of the cash flows depend on the accuracy of estimating expenditure, income and corresponding time periods. An **outline medium-term cash flow** model is prepared as part of the budget process, with projections for 5 further years. It is highly summarised and looks mainly at cash flows arising from the capital programme, the in-year capital financing requirement, scheduled loan repayments and long-term investment maturities, and anticipated movements in reserves. A **detailed annual cash flow,** prepared for the financial year once the budget for the ensuing year has been agreed, identifies major inflows and outflows and is monitored and updated monthly. It is compiled with reference: to the agreed revenue budget and capital programme; to knowledge obtained from the Council's various services that incur the expenditure/ receive the income; as well as to information from previous years. **Daily cash flows** show forecast and planned movements of cash daily, including the matching of known inflows and payments. This is used as part of the decision-making process for daily cash management.

1.2 Content and frequency of cash flow projections	The detailed annual cash flow model includes the following: • Budgeted revenue income and expenditure • Budgeted profiled capital income and expenditure **Revenue activities**: <u>Inflows</u>: ▪ Revenue Support Grant if applicable ▪ Precepts received ▪ Non-domestic rates receipts ▪ Council tax receipts ▪ Other government grants ▪ Cash for goods and services ▪ Other operating cash receipts <u>Outflows</u>: ▪ Salaries and payments on behalf of employees ▪ Operating cash payments ▪ Housing Benefit paid ▪ Precepts paid ▪ NNDR payments **Capital activities including financing** <u>Inflows</u>: ▪ Capital grants received ▪ Sale of fixed assets ▪ Other capital cash receipts <u>Outflows</u>: ▪ Purchase of fixed assets ▪ Purchase of long-term investments ▪ Other capital cash payments **Financing, Servicing of Finance/Returns on Investments** <u>Inflows:</u> ▪ New long-term loans raised ▪ New short-term loans raised ▪ Interest received ▪ Discount on premature repayment of loan <u>Outflows</u>: ▪ Loan repayments ▪ Premiums on premature repayment of loan ▪ Short-term investments ▪ Capital element of finance lease rental payments ▪ Interest paid ▪ Interest element of finance lease rental payments

1.3 Monitoring, frequency of cash flow updates	The annual cash flow statement is updated quarterly with the actual cash inflows and outflows after taking account of any revisions including those relating to grant income and capital expenditure and will be reconciled with: • net RSG and NNDR payments as notified; • county council and police authority precepts as notified; • actual salaries and other employee costs paid from account bank statements; • actual payments to Inland Revenue from general account bank statements; • actual council tax received • actual rent allowances paid • actual housing benefit and grant received from MHCLG; • actual capital programme expenditure and receipts.
1.4 Bank statements procedures	The Council receives bank statements on a daily basis and a daily download of data from its bank. All amounts on the statements are analysed on the bank statement analysis (BSA) and check to source data for example payroll, creditor payment runs. Income transactions are posted independently of the treasury function and are reconciled to the AIM system on a daily basis by the income team.
1.5 Payment scheduling	The Council has a policy of paying suppliers in line with agreed terms of trade and aims to pay suppliers within 28 days of the invoice date. Certificated payments to sub-contractors must be made within 28 days.
1.6 Monitoring debtor/ creditor levels	The Creditors and Income Manager is responsible for monitoring levels of debtors and creditors. Details are passed to the treasury team where necessary to assist in updating the cash flow models.
1.7 Banking of funds	Instructions for the banking of income are set out in Financial Regulations. All monies received will be passed to the cashier and be banked without delay.
1.8 Practices concerning prepayments to obtain benefits	The Council has no formal arrangements in place. Where such opportunities arise, the prepayment would be sought and authorised by the S.151 Officer.

Treasury Management Practices

9. Money laundering

Background
The Proceeds of Crime Act (POCA) 2002 consolidated, updated and reformed criminal law in the UK in relation to money laundering. The principal offences relating to money laundering are:
Concealing, disguising, converting, transferring or removing criminal property from England and Wales, from Scotland or from Northern Ireland
Being concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention use or control of criminal property
Acquiring, using or possessing criminal property.
Other offences include failure to disclose money laundering offences, tipping off a suspect either directly or indirectly, and doing something that might prejudice an investigation.

Organisations pursuing relevant businesses were required to appoint a nominated officer and implement internal reporting procedures; train relevant staff in the subject; establish internal procedures with respect to money laundering; obtain, verify and maintain evidence and records of the identity of new clients and transactions undertaken and report their suspicions.

In December 2007, the UK Government published the Money Laundering Regulations 2007, which replaced the 2003 Regulations. CIPFA believes that public sector organisations should "embrace the underlying principles behind the money laundering legislation and regulations and put in place anti money laundering policies, procedures and reporting arrangements appropriate and proportionate to their activities".

The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained. The present arrangements, including the name of the officer to whom reports should be made, are detailed in the schedule below.

Schedule

1.1 Anti-money laundering policy	This Council's policy is to prevent, wherever possible, the organisation and its staff being exposed to money laundering, to identify the potential areas where it may occur and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases. The Council has accepted responsibility to ensure that those of its staff who are most likely to be exposed to money laundering can make themselves fully aware of the law and, where necessary, are suitably trained.

1.2 Nomination of Responsible Officer	(a) The Council has nominated the Deputy Chief Executive and S151 Officer to be the responsible officer to whom any suspicions relating to transactions involving the Council will be communicated. (b) The responsible officer will be conversant with the requirements of the Proceeds of Crime Act 2002 and will ensure relevant staff are appropriately trained and informed so they are alert for suspicious transactions. (c) The responsible officer will make arrangements to receive and manage the concerns of staff about money laundering and their suspicion of it, to make internal enquiries and to make reports, where necessary, to National Criminal Intelligence Services (NCIS).
1.3 Procedures for establishing the Identity of Lenders and Borrowers	(a) In the course of its treasury activities, the Council will only borrow from permitted sources identified in *TMP 4 Approved instruments, methods and techniques*. (b) The Council will not generally accept loans from individuals. (c) In the course of its treasury activities, the Council will only invest with those counterparties which are on its approved lending list. (d) The identity and authenticity of commercial institutions (banks, building societies and other financial institutions) authorised to carry out borrowing and lending activity in the UK will be checked via the Financial Services Authority's website www.fsa.gov.uk. (e) All receipts/disbursements of funds will be undertaken by BACS or CHAPS settlement. (f) Direct Dealing mandates: The Council will provide (in the case of lending) and obtain (in the case of borrowing) and maintain on file dealing mandates with any new money market counterparty. The mandates should be on letter-headed paper, dated and signed. (g) All banking transactions will only be undertaken by the personnel authorised to operate the Council's banks accounts.

Treasury Management Practices

10. Training and qualifications

The Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The s.151 Officer will recommend and implement the necessary arrangements.

The s.151 Officer will ensure that Council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and responsibilities. Those charged with governance are required to recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

The present arrangements are detailed in the schedule below.

Schedule

1.1 Qualifications/ experience for treasury staff	Members of the Treasury Team are required to have suitable experience and qualifications for them to carry out their duties competently and appropriate training is provided where necessary.
1.2 Details of approved training courses	The courses/events the Council would expect its treasury personnel to consider are: ▪ Certificate in International Treasury Management – Public Finance, a treasury management qualification offered by the *Association of Corporate Treasurers* ▪ Training courses for Accounting, Auditing, Best Value/Competition, Budgeting, Capital Finance & Borrowing, Financial Management and Treasury Management run by CIPFA and IPF ▪ Any courses/seminars run by Treasury Management Consultants. ▪ Attending CIPFA Conference ▪ Training attended by those responsible for scrutiny of the treasury function
1.3 Records of training received by treasury staff	Treasury-related training records are maintained by staff with their CPD support, with staff appraisal records by the Interim Deputy Chief Finance Officer and with Human Resources.

1.4 Records of training received by those charged with governance	Training records are maintained of those people/committees responsible for governance of treasury management. Committee Services provide details of this.

Treasury Management Practices

11. Use of external service providers

The Council recognises that responsibility for the treasury management decisions remains with the organisation at all times. It recognises the potential value of employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which will have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and reviewed regular. The Council will ensure, where feasible and necessary, that a spread of service providers is used, to avoid over reliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the Deputy Chief Executive. Details of the current arrangements are set out in the schedule below.

Schedule

1.1 Contract threshold	The Council's Financial Regulations require that a formal contract is in place with external service providers. The contract will clearly state the services to be provided and the terms on which they will be provided.

1.2 Details of service providers and procedures and frequency for tendering services	(a) **Bankers to the Council** Lloyds Bank 25 Gresham Street, London EC2V 7HN Telephone 0808 202 1390 Contract period: From March 2015 Formal agreement in place: Yes (b) **Treasury advisor** Arlingclose Limited 35 Chiswell Street, London EC1Y 4SE Telephone 08448 808 200 Contract period: Aug 2017 to July 2027 Formal agreement in place: Yes This service may be re-tendered every 3 years (c) **Brokers** It is considered good practice for the Council to have at least two brokers and to spread business between them. Tradition (UK) Limited Beaufort house, 15 St. Botolph St, London, EC3A 7QX Telephone 0207 422 3500 Contract period: no formal contract Formal agreement in place: No Sterling/ BGC Brokers LP 1 Churchill Place, London, E14 5RD Telephone 020 7894 7742 Contract period: no formal contract Formal agreement in place: No
1.3 Regulatory status of services provided	The Council's external service providers are regulated by the Financial Services Authority (FSA) and Bank of England.

<table>
<tr>
<td>

1.4
Details of service provided by Treasury Advisor

</td>
<td>

The Service provided by the Council’s treasury advisors is:

Financial Strategy and Investment Policy

- Attend 4 strategy meetings per year and review the Council’s financial position in respect of its objectives, strategy, current financial circumstances, assets and liabilities.
- Advise on suitable investment strategies to support the Council’s financial objectives in the short, medium and longer term.

Market Updates and Interest Rate Forecasting

- Provide regular interest rate forecasts.
- Provide regular updates on economic and political changes that may impact the Council’s investment strategy.

Monitoring and Reporting

- Provide data on the performance of external fund managers for comparison purposes.
- Monitor and report on performance of in-house investments against external fund managers on a quarterly basis.

Counterparty Creditworthiness

- Advise on investment counterparty creditworthiness, including provision of prudent parameters, based on information obtained from leading credit rating agencies (Fitch, Standard and Poors, Moody's).
- Provide regular alerts of changes in creditworthiness, monthly reports and analyses.
- Check compliance with counterparty creditworthiness policy on a quarterly basis.

Training and Documentation

- Provide training to treasury management staff where necessary, including access to a technical support helpline.
- Provide template documents and advice on:
    - Treasury management strategy report
    - Annual review report
    - Annual investment strategy

Future investment of capital receipts

The Council may decide to place funds with external fund managers to provide an element of diversity to the investment portfolio. Part of the service required from our appointed advisor will be to assist and advise on the selection and appointment process and to provide ongoing performance monitoring.

</td>
</tr>
</table>

Treasury Management Practices

12. Corporate governance

The Council is committed to the pursuit of proper corporate governance throughout its business and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

The Council has adopted and implemented the key recommendations of the CIPFA Treasury Management Code of Practice (2021). This, together with the other arrangements detailed in the schedule to this document, are considered vital to the achievement of proper corporate governance in treasury management, and the Deputy Chief Executive will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

Schedule

1.1 Stewardship responsibilities	The S.151 Officer ensures that systems exist to deliver proper financial administration and control and maintaining a framework for overseeing and reviewing the treasury management function.
1.2 List of documents to be made available for public inspection.	The following documents are freely available for public inspection: ▪ Annual Statement of Accounts ▪ Budget Book ▪ 4 Year Capital Plan ▪ Treasury Management Policy ▪ Treasury Management Strategy ▪ Budget Monitoring Reports ▪ Annual Treasury Report (Outturn)
1.3 Council's website.	Financial information is additionally available on the Council's website.
1.4 Procedures for consultation with stakeholders.	Members and senior officers of the Council are consulted via reports to the Corporate Policy & Resources Committee and officer/member briefing and training sessions.
1.5 Externally managed funds.	The Council currently has no external fund managers.

Appendix C

GLOSSARY

Local Authority Treasury Management Terms

Terms	Descriptions
Bond	A certificate of long-term debt issued by a company, government, or other institution, which is tradable on financial markets.
Borrowing	Usually refers to the stock of outstanding loans owed, and bonds issued.
CFR	Capital Financing Requirement (CFR). A council's underlying need to hold debt for capital purposes, representing the cumulative capital expenditure that has been incurred but not yet financed. The CFR increases with capital expenditure and decreases with capital finance and MRP.
Capital gain or loss	An increase or decrease in the capital value of an investment, for example through movements in its market price.
CIPFA	The Chartered Institute of Public Finance and Accountancy (CIPFA) is a UK-based international accountancy membership and standard-setting body. The only such body globally dedicated to public financial management.
Collective investment scheme	Scheme in which multiple investors collectively hold units or shares. The investment assets in the fund are not held directly by each investor, but as part of a pool (hence these funds are also referred to as 'pooled funds').
Cost of carry	When a loan is borrowed in advance of need, the difference between the interest payable on the loan and the income earned from investing the cash in the interim.
Counterparty	The other party to a loan, investment, or other contract.
Counterparty limit	The maximum amount an investor is willing to lend to a counterparty, in order to manage credit risk.

Covered bond	Bond issued by a financial institution that is secured on that institution’s assets, usually residential mortgages, and is therefore lower risk than unsecured bonds.
CPI	Consumer Price Index - the measure of inflation targeted by the Monetary Policy Committee.
Deposit	A regulated placing of cash with a financial institution. Deposits are not tradable on financial markets.
Diversified income fund	A collective investment scheme that invests in a range of bonds, equity, and property in order to minimise price risk, and also focuses on investments that pay income.
Dividend	Income paid to investors in shares and collective investment schemes. Dividends are not contractual, and the amount is therefore not known in advance.
DMADF	Debt Management Account Deposit Facility – a facility offered by the DMO enabling councils to deposit cash at very low credit risk. Not available in Northern Ireland.
MHCLG	Ministry of Housing, Communities & Local Government - The Ministry of Housing, Communities and Local Government is central to the mission-driven government, from fixing the foundations of an affordable home to handing power back to communities and rebuilding local governments.
DMO	Debt Management Office – an executive agency of HM Treasury that deals with central government’s debt and investments.
Equity	An investment which usually confers ownership and voting rights
Floating rate note (FRN)	Bond where the interest rate changes at set intervals linked to a market variable, most commonly 3-month LIBOR or SONIA
FTSE	Financial Times stock exchange – a series of indices on the London Stock Exchange. The FTSE 100 is the index of the largest 100 companies on the exchange, the FTSE 250 is the next largest 250 and the FTSE 350 combines the two.
GDP	Gross domestic product – the value of the national aggregate production of goods and services in the economy. Increasing GDP is known as economic growth.

Income Return	Return on investment from dividends, interest and rent but excluding capital gains and losses.
GILT	Bond issued by the UK Government, taking its name from the gilt-edged paper they were originally printed on.
LIBID	London interbank bid rate - the benchmark interest rate at which banks bid to borrow cash from other banks, traditionally 0.125% lower than LIBOR.
LOBO	Lender's Option Borrower's option
MMF	Money Market Funds. A collective investment scheme which invests in a range of short-term assets providing high credit quality and high liquidity.
MPC	The Monetary Policy Committee (MPC) decides what monetary policy action the Bank of England will take to keep inflation low and stable.
MRP	Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as **Minimum Revenue Provision ("MRP")**, although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Ministry of Housing, Communities and Local Government's Guidance on Minimum Revenue Provision ("the MHCLG Guidance") most recently issued in April 2024.
OBR	The Office for Budget Responsibility was created to provide independent and authoritative analysis of the UK's public finances. It is one of a growing number of official independent fiscal watchdogs around the world.
PMI	Purchasing Managers' Index (PMI) - A composite PMI is the weighted average of manufacturing and service sector PMIs for a given geography or economy, produced by IHS Markit. Weights are derived from official data relating to each sector's contribution to GDP (value added).
Pooled Fund	Scheme in which multiple investors hold units or shares. The investment assets in the fund are not held directly by each investor, but as part of a pool (hence these funds are also referred to as 'pooled funds').
Price Risk Indicator	Price risk is the risk of a decline in the value of a security or an investment portfolio excluding a downturn in the market, due to multiple factors. Investors can employ a number of tools and

	techniques to hedge price risk, ranging from relatively conservative decisions (e.g., buying put options) to more aggressive strategies (e.g., short selling).
PWLB	Public Works Loan Board – a statutory body operating within the Debt Management Office (DMO) that lends money from the National Loans Fund to councils and other prescribed bodies and collects the repayments. Not available in Northern Ireland.
Quantitative easing (QE)	Process by which central banks directly increase the quantity of money in the economy to promote GDP growth and prevent deflation. Normally achieved by the central bank buying government bonds in exchange for newly created money.
SME	SME finance is the funding of small and medium-sized enterprises and represents a major function of the general business finance market – in which capital for different types of firms are supplied, acquired, and costed or priced.
SONIA	Sterling overnight interest average – a benchmark interest rate for overnight deposits.
Short-dated	Usually means less than one year.
TMSS	Approved Council's Treasury Management Strategy Statement
Total return	The overall return on an investment, including interest, dividends, rent, fees and capital gains and losses.
VRP	The Council is required to pay off an element of the accumulated general fund capital spend each year (the Capital Financing Requirement (CFR) through a revenue charge (the minimum revenue provision - MRP), and it is also allowed to undertake additional voluntary payments (**Voluntary Revenue Provision - VRP).**

SPELTHORNE BOROUGH COUNCIL

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**	**14/08/26**
MAT+ review (to have been circulated **at least 5 working days before Stage 2**)	**Y**	**12/08/26**
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**	**12/08/26**
Legal comments (circulate to Legal team)	LH	14/08/26
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	14/08/26
S151 Officer commentary – at least **5 working days before MAT**	**T.Collier**	13/8/26
Commissioner engagement	**L.O'Neil**	
	Delete as applicable:	Comments in S. 7
Confirm report signed off for publishing for MAT by relevant member of Management Team	**L.O'Neil**	20/08/26
Confirm final report cleared by MAT	**L.O'Neil**	20/08/26

Corporate Policy and Resources Committee

8 September 2026

Title	Governance Assurance update – Organisational Resilience and Cyber Resilience
Purpose of the report	To inform and assure
Report Author	Lee O'Neil, Deputy Chief Executive
Ward(s) Affected	All Wards
Exempt	Main report and Appendices A & B – No Appendix C - Yes
Exemption Reason	Appendix C 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 could expose vulnerabilities and control weaknesses, thereby compromising the Council's security and ability to manage cyber risk effectively.
Corporate Priority	Community Addressing Housing Need Resilience Environment Services
Recommendations	**Committee is asked to:** a. Receive 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 Organisational Resilience (**Appendix B**) and Cyber Resilience (**confidential Appendix C**).
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 Organisational Resilience and Cyber Resilience.	• Address any questions and concerns from the Committee concerning delivery of GAA actions relating to Organisational Resilience and Cyber Resilience. • Consider the next GAA updates to be provided to the Committee for the areas under its remit.

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 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.

2.5 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.

2.6 At its last meeting this Committee requested an update on Governance Assurance relating to **Cyber Resilience**. The Governance owner's report relating to this area is shown in **confidential Appendix C**.

2.7 A further Governance Assurance report has been provided for this Committee cycle relating to **Organisational Resilience** (**Appendix B**).

2.8 In view of the ongoing work programme outlined in the Forward Plan for CPRC, it is proposed to provide a limited number of updates for each Committee cycle focusing on key priority areas for the Council. The Committee is therefore invited to consider which of the 9 GAAs listed in **Appendix A** they would like to receive updates on at the next meeting of the Committee.

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 Organisational Resilience (**Appendix B**) and Cyber Resilience (**confidential 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 will ensure 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

6.1 There are no legal implications arising directly from the recommendaitons 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 notes no direct financial implications arising from this report. However, having an appropriate governance and assurance framework plays a key role in underpinning value for money, and mitigating financial risk. Both organisational resilience and cyber resilience and security risks if crystallised potentially have significant financial consequences.

9. Monitoring Officer comments

9.1 Considered and functional Governance Assurance arrangements, underpinned by the appropriate and timely actions, 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 direclty 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 As with adopting and embedding the governance assurance approach for the Audit Committee, it will inevitably take some time to fully integrate the new processes across all Committees. An audit of progress and compliance with the new Governance Assurance arrangements will be undertaken by the Council's external Governance Assurance/Risk Management advisor (now likely to be completed in September 2026).

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 The proposed timetable outlining the dates for future updates to CPRC is under review and may be subject to change to ensure sufficient time is available for discussion of the GAAs, together with other reports on the agenda.

16. Contact

16.1 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 Organisational Resilience.

Appendix C: Governance Assurance update for CPRC relating to Cyber Resilience. (CONFIDENTIAL)

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 (Audit Cttee. date)**			**Assurance Level (Latest data for CPRC)**
		19/05/26	**23/06/26**	**23/07/26**	**10/08/26**
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**

APPENDIX B - CPRC GOVERNANCE AREA REPORT – ORGANISATIONAL RESILIENCE 8 SEPTEMBER 2026

<table>
<tr><td colspan="6">ASSURANCE AREA</td></tr>
<tr><td colspan="6">Organisational Resilience</td></tr>
<tr><td colspan="6">ASSURANCE DESCRIPTION</td></tr>
<tr><td colspan="6">The effective and efficient delivery of Council services and responsibilities relies significantly on our workforce at every level. At all times, but especially in periods of significant pressure and uncertainty, it is critical that we have the appropriate policies, procedures, practices and interventions in place to support our workforce, to maximise its capacity and capability and to maintain high levels of morale and commitment. As well as our duties to deliver critical services, the Council has a duty of care to our workforce. The Council continues to see major problems regarding the retention and recruitment of staff and a rise in wellbeing issues leading to increased absence. Whilst this is a problem that many Councils face, we have a series of significant challenges that requires a supported and resilient workforce. As LGR progresses along with the IRP programme staff may seek to leave (to other roles, retirements) or due to pressures there is an increase in sickness levels.</td></tr>
<tr><td colspan="6">ASSURANCE ASSESSMENT</td></tr>
<tr><td colspan="6">Maintaining staff resilience, wellbeing and motivation at all levels is critical to support the Council's challenging next few years and transition with LGR and the Improvement and Recovery Plan. With a challenging employment market, ensuring staff retention is key as well as providing a welcoming supportive environment for new employees. A culture where staff wellbeing is considered important is paramount. Such a culture relies on openness and staff empowerment to ensure matters are raised properly and promptly, and managers and leaders are trained to recognise potential issues and respond appropriately.</td></tr>
<tr><td>ASSURANCE OWNER</td><td>Sandy Muirhead</td><td>FOCUS/ISSUE/CONCERN</td><td>Focus</td><td>LEVEL OF ASSURANCE (High/Medium/Low)</td><td>Medium</td></tr>
</table>

Page 149

	Assurance Action	Action Owner	Current RAG status	Performance Update	Next steps (including completion/review date)
1	**Maximising workforce capacity** Ensure the Council has arrangements in place to continuously consider how we maximise workforce capacity.	**Debbie O'Sullivan**- Human Resources Manager		Services continuing to work with HR to fill vacancies, with interims used where there are difficulties recruiting to key areas. Vacancy control panel continuing to scrutinise any staffing requests. Pressure of both Local Government Reorganisation (LGR) and Improvement and Recovery Plan (IRP) continuing to present challenges retaining staff. Interims used to cover key areas but despite measures being in place to help retain staff and fill vacancies, it may be more difficult to maximise workforce capacity. As vesting day comes closer there will be an October cut off point for recruiting staff. Staff not formally contracted before 31 March 2027 cannot be transferred to West Surrey. With recruitment requirements it can take some months to undertake the process and the successful applicant to give	HR involvement in the vacancy control panel is now established, and HR will continue to input into staffing issues and approval to recruit reports. The staffing panel will continue beyond any cut-off date for general recruitment to agree agency or interim posts if required. If staff leave, given the short time to vesting day there may, in key areas, be a need to recruit further interims or seek greater assistance from other West Surrey designated authorities. Review date: November 2026

				notice. There will be flexibility for "emergency recruitment" in key posts. Guidance is required from West Surrey on ability (or not) to extend some key interim roles beyond 31 March 2027.	
2	**Recruitment and retention** Ensure the Council has effective arrangements in place for the recruitment and retention of staff.	**Debbie O'Sullivan**- Human Resources Manager		Continuing to monitor staff turnover and where vacancies exist best routes to market assessed for each post. Challenges and uncertainties presented by LGR likely to have an effect on Council's ability to recruit and retain staff, and we are already seeing a number of key officers leaving to seek posts with other organisations, including the private sector. Exit interviews undertaken where staff agree to this, utilising the information from these to look for any improvements in how we manage staff. This is a voluntary process and information only collated from those who complete forms / undertake exit interviews. Staff turnover to be kept under review with LGR and included in KPI's.	A cut-off date for starting recruitment processes has been agreed for early October 2026 (and there is also likely to be confirmation from West Surrey as to when we need to stop recruitment). However, there will need to be flexibility to fill certain key posts, but it may be necessary to fill those roles with agency or interim staff. Retention will be carefully monitored as move towards vesting day. Review date: November 2026

3	**Maximising workforce capability** Ensure the Council has in place the arrangements to maximise workforce capability.	**Debbie O'Sullivan**-Human Resources Manager		Continuous performance management (CPM) system used for quarterly review of targets, performance and personal development needs, although some inconsistency still exists in completion of CPMs. The Council has a wide range of development opportunities available including access to apprenticeships, Surrey Learn Partnership training programme open to staff, and in-house training to support skill development in preparedness for LGR. Additionally West Surrey are undertaking focus groups on culture for the future authority. Managers are also being encouraged to provide support for staff and manage resources and capabilities,	Staff are regularly reminded to ensure CPMs and 1:1's are undertaken on a quarterly basis with informal meetings monthly. This is ongoing and it is likely once the TUPE consultation process starts, staff may ask quite detailed questions at CPM meetings, but FAQs will be provided. The Council is also looking at further specific training to ensure staff are fully prepared and ready for LGR. Review date: September 2026
4	**Workload management** Ensure the Council has effective arrangements in place to ensure staff workloads are managed appropriately.	**Debbie O'Sullivan**-Human Resources Manager		Group Heads and other managers managers continuing to monitor service needs and prioritising resources as required. Interims used to fill significant gaps with support from Management Team. This is kept under constant review Some areas such as Environmental Health continuing to face workload	All managers to keep Group Heads/Deputy Chief Executive/Corporate Director up to date with any staffing pressures so they can be discussed corporately at Management Team with appropriate support considered. Will be key during LGR transition period and

				capacity issues due to high volumes of work (particularly in relation to HMOs) and new areas of responsibility (such as the Renter's Rights Act).	may see other issues arising such as greater sickness. Review date: December 2026
5	**Monitoring the morale and wellbeing of staff at all levels** Ensure the Council has effective arrangements in place to monitor the morale and wellbeing of staff at all levels.	**Debbie O'Sullivan**- Human Resources Manager		Monthly staff 1:1s and manager's open-door policies or staff comments are used to identify the morale of the organisation and address it appropriately. Regular staff meetings and manager's briefings are used to help address any morale issues raised. Staff Employee Assistance Programme scheme in place to assist and Occupational Health where appropriate.	Staff surveys (pulse surveys undertaken at regular intervals) in place to gauge morale undertaken on a regular basis. There are increased staff communications on LGR/IRP. HR have held drop-in staff sessions at all SBC sites to answer general concerns and queries. Recent surveys and reporting to HR suggest there has been a recent dip in morale. As mentioned above further courses/training are being put in place to help ensure staff are ready for vesting day Review date: November 2026
6	**Minimising staff absence** Ensuring the Council's absence management policy and procedures are in place and effective to minimise staff absence.	**Debbie O'Sullivan**- Human Resources Manager		The Council has an Employee Assistance scheme through Optima Health. Wellbeing. Staff issues are also covered in 1:1s. The Council has a structured management process in place to address staff absences including sickness. Staff sickness is reported quarterly to CPRC via the KPI report (and more	Sickness management processes are clear, and managers are reminded to clearly follow the processes involved. Managers must complete monthly sickness returns. Review date: November 2026

Page 153

				detail to MAT monthly). Occupational Health provision is in place to support staff where appropriate.	
7	**Managing change** Ensure the Council's arrangements for managing change are effective.	**Debbie O'Sullivan**- Human Resources Manager		The Council has already undertaken and encourages staff to attend any change management courses available via Surrey Learn, Surrey CC and internal provision with courses already provided. These will continue to be run until vesting day on 1 April 2027. Uptake of these courses is kept under constant review and future course provision assessed in line with feedback evaluation. Courses concerning change are also being held at Knowle Green Managers are also being encouraged to provide support for staff and manage resources and capabilities.	Further change management/other training to prepare staff for West Surrey transition will be required over the coming months and the requirements will be kept under review. Additionally West Surrey are undertaking focus groups on culture for the future authority. Review date: October 2026
8	**Mental health support** Ensuring the Council's arrangements to provide mental health support are in place and effective.	**Debbie O'Sullivan**- Human Resources Manager		Able Futures provide a counselling service which we ensure staff are aware of. Some staff have been trained as mental first aiders. Ongoing wellbeing and resilience training will also provide support in this area and Occupational Health intervention where appropriate.	Managers are aware of the strain caused by workload, LGR and the IRP and there is an open-door policy for staff to talk to their managers or HR to obtain assistance. Review date: November 2026

9	**Monitoring Key Performance Indicators** Ensuring the Council has the appropriate key performance indicators in place to support the necessary interventions and actions.	**Debbie O'Sullivan**- Human Resources Manager		Staff sickness absence is monitored and reported quarterly to CPRC via the quarterly KPI reports. More detailed reports go monthly to management team from May 2026. HR record number of grievances/ disciplinaries and address these in line with policies and procedures. Support and interventions are put in place as required depending on circumstances along with any recommendations. HR work closely with managers to support the employee internal policies and procedures to manage employee relations from informal to formal stages and appeals.	Staffing KPIs are reported monthly to MAT+ and headline sickness and turnover form part of corporate KPI reporting. Managers have access via iTrent to manage sickness absences in their service. Measures are in place to address any issues raised. Review date: October 2026

Related Improvement and Recovery Plan Theme High Priority Outcomes:

Improving Governance and Assurance

Performance monitoring through KPIs has been strengthened because of best value directions. Three key ones relate to organisational resilience as listed in the table below.

Corporate KPIs					
	KPI description	**Frequency**	**Target**	**Corporate priority**	**Progress update**
HR1	Quarterly staff turnover managed	Quarterly	comparison	IRP	April 1.3% May 0.44% June 1.11%
HR2	Average days lost per employee to short term sickness	Quarterly	comparison	IRP	April 0.59 May 0.22 June 0.21
HR3	Average days lost per employee to long term sickness	Quarterly	comparison	IRP	April 0.85 May 0.56 June 0.75

Quarterly staff turnover managed.

Over the quarter there was a dip in May but a slight increase in turnover in June. Turnover in June was predominantly voluntary, with employees leaving due to resignation, retirement, securing higher-paid roles, and promotion to another authority. These reasons suggest that turnover was largely driven by career progression, external employment opportunities, and natural attrition as well as a managed departure. Overall, the pattern indicates that most turnover was employee-led in comparison to the month of May which was largely led by retirement.

Average days lost per employee to short term sickness

Short term sickness is consistent over last two months and is usually due to colds or sickness bugs.

Average days lost per employee to long term sickness

Below is a summary of the main reasons for long term sickness: -
• Anxiety, stress and mental health-related absences account for 11.3% of all sickness absence cases recorded (6 of 53 cases).
These absences have a significant long-term impact, with 83.3% of cases falling into the long-term sickness category (21 days or more) and

16.7% short term, demonstrating that whilst mental health absences are relatively low in volume, they contribute disproportionately to overall days and hours lost.

• Musculoskeletal conditions and surgery-related absences account for 9.4% of all cases (5 of 53 cases). This category includes knee surgery, shoulder injury, surgery recovery, nerve block recovery and body pain. Approximately 80% of cases are long term, with only 20% short term, indicating a substantial contribution to overall absence days lost despite relatively few cases.

• Other medical conditions (including malaria, dizziness under investigation, shortness of breath, pulmonary embolism, eye and ear conditions, heat exhaustion, rash, bereavement-related sickness and other complex medical conditions) account for 24.5% of all cases (13 of 53 cases). Approximately 54% of these absences are long term and 46% short term, making this category one of the largest contributors to overall sickness absence and days lost. Managers proactively manage long term sickness via the steps required in our management of absence policy.

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

SPELTHORNE BOROUGH COUNCIL

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		
Commissioner engagement (if report focused on issues of concern to Commissioners such as Finance, Assets etc)	**Yes**	**19/08/26**
Relevant Group Head review	**Yes**	**31/07/26**
MAT+ review (to have been circulated **at least 5 working days before Stage 2**)	**Yes**	**31/07/26**
This item is on the Forward Plan for the relevant committee	**Yes**	**08/09/26**
	Reviewed by	
Finance comments (circulate to Finance)	**AB**	**14/08/26**
Risk comments (circulate to Lee O'Neil)	**LO**	**31/07/26**
Legal comments (circulate to Legal team)	**JC**	**12/08/26**
HR comments (if applicable)	**N/A**	**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**	**12/08/26**
S151 Officer commentary – at least **5 working days before MAT**	**T. Collier**	**31/7/26**
Commissioner engagement	**Yes**	**19/08/26** Comments in S. 6
Confirm final report cleared by MAT	**Yes**	**18/08/26**

Corporate Policy and Resources Committee

8 September 2026

Title	Residential Acquisitions for Housing Need
Purpose of the report	To make a decision
Report Author	Bruce Strong - Asset Manager
Ward(s) Affected	All Wards
Exempt	Main Report – No Appendices and Background Papers - Yes
Exemption Reason	The Appendices and Background Papers 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	Community Resilience Addressing Housing Need
Recommendations	**The Committee is asked to:** 1.1 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. 1.2 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 agreed terms. 1.3 Delegate authority to the Group Head Corporate Governance to enter all relevant legal documentation relating to the acquisition referred to above.
Reason for Recommendation	Following approval at Full Council on the 16th of July 2026 to use the balance of a Commuted Sum and Local Authority Housing Fund ("LAHF") capital grant funding (see Background Paper 1) to acquire additional residential properties, terms to

	acquire 6 further properties have been agreed in principle subject to Committee approval.

Executive Summary of the Report

What is the situation	Why we want to do something
The Council agreed to accept a financial contribution in lieu of on-site nomination rights, from a private developer resulting in a significant "Commuted Sum" secured through a Section 106 planning obligation. This report recommends an element of this commuted sum be used to acquire 4 residential properties within the Spelthorne geographic area. LAHF grant funding, is also proposed to be used to purchase 2 properties for use as temporary accommodation.	Using the Commuted Sum and LAHF monies to purchase residential properties will help mitigate affordable housing and temporary accommodation pressures, reducing the numbers in nightly paid and temporary accommodation which has been identified as a key action, and referenced in the Nightly Paid Accommodations Savings Delivery Plan within the Commercial Strategy of the IRP. The Commuted Sum must be spent or committed as expenditure within 5 years of receipt, or it becomes repayable to the developer. The LAHF grant funding must be spent by 31st March 2027.
This is what we want to do about it	**These are the next steps**
Use the Commuted Sum and LAHF monies to purchase residential properties to directly address the needs of those on the housing register which will reduce the need for costly nightly-paid accommodation, directly supporting the delivery of the Nightly Paid Accommodation Savings Delivery Plan and provide an asset to the Council.	Instruct solicitors to finalise the acquisitions. Officers will make offers on other suitable residential properties and in due course bring to this committee a follow up report seeking approval to progress with these acquisitions using the balance of the Commuted Sum and the LAHF monies.

1. Key Issues

1.1 On 16th July 2026, Full Council approved spending part of the Commuted Sum Fund in acquiring 5 freehold residential properties within Spelthorne. This approval also extended to use the balance of this sum to purchase additional properties together with the allocated LAHF funding to acquire 2 properties for temporary accommodation.

1.2 Following the above 6 further properties, 4 long leasehold, 1 freehold, and 1 property with a share of the freehold, have been identified for purchase. Subject to acceptable due diligence, and relevant approvals, terms have been agreed to acquire the properties at the prices referred to in Confidential Appendix 1.

1.3 Red Book valuations, see Confidential Appendix 1, have been undertaken which verify the purchase prices are at market value. In addition, viability assessments have been carried out for each property as shown in Confidential Appendices 2 and 3. The assessments demonstrate a positive net present value in each instance. The balance of the Commuted Sum and LAHF funding is proposed to be used to acquire further properties, subject to suitable properties being identified.

1.4 The properties will provide much needed affordable housing and temporary accommodation in the short term, reducing the numbers in and expenditure on temporary accommodation, supporting the Nightly Paid Accommodation Savings Delivery Plan which is a key corporate priority.

1.5 Acquiring these properties will enable families currently in nightly paid accommodation to be moved into Council owned properties, which will generate savings in nightly paid accommodation, as shown in Confidential Appendix 4. This contributes towards the objectives of the Nightly Paid Accommodation Savings Delivery Plan. In addition to the financial savings, other benefits from these acquisitions include improved wellbeing of the families and children currently in nightly paid accommodation as they will be housed in more suitable environments

1.6 The Commuted Sum must be spent or committed as expenditure within 5 years of receipt (i.e. by 5 February 2030), or it will be paid back to the developer. An extension has been agreed for the use of the LAHF monies, and the latest date for spending this is the 31st March 2027.

2. Options Appraisal and Proposal

2.1 ***Option 1 – Acquire the 6 Residential Properties – Recommended Option***

Acquire the 4 long leasehold and 2 freehold properties as set out in Appendix 1. This is the recommended option as it will deliver much needed accommodation and where we expect to complete the purchases over the next few months. Following their purchase, the properties will be used to reduce nightly paid accommodation costs, supporting the delivery of the Nightly Paid Accommodation Savings Delivery Plan and help relieve pressure on the Council's Housing Register. We expect occupation to commence in October or November this year, subject to onward seller chains in a few instances. The acquisition is supported by the positive net present value in the viability study in Appendices 2 and 3.

2.2 **Option 2 – Not Recommended**

Delay a decision and allow West Surrey to decide on the future use of the Commuted Sum and LAHF monies. This is not the recommended option as this will not use the funds expediently. In providing additional housing for our residents, at the earliest opportunity we are able to maximise savings that contribute to closing budget gaps via Nightly Paid Accommodation cost reduction as well as improving the wellbeing of families and their children.

2.3 **Option 3 – Not Recommended**

Do not commit the funds to purchase the properties but look for alternative premises. This is not recommended as the 6 properties will be available for local families to occupy from October or November this year, making a meaningful difference in a short timescale and it cannot be guaranteed that finding and acquiring 6 other properties in the same timescale is achievable.

3. Risk implications

3.1 Some of the properties are subject to the vendor completing on purchasing their next home and therefore the timescales in acquiring these properties may go beyond the anticipated occupation date. The agents for these properties have however confirmed that the vendors have found alternative properties.

3.2 The properties require minor repairs and work to bring them up to a tenantable standard and comply with the Council's obligations as a social landlord. We have had these works costed, but until they are formally instructed there is a risk the costs will increase slightly.

3.3 There is always a risk that the properties are found unsuitable for acquisition through the legal due diligence process. In this case, we would not progress the acquisition.

3.4 In not pursuing the purchase of these properties and either delaying a decision on the purchase or looking for other premises there is a risk of losing the funds as the Commuted Sum must be spent or committed as expenditure within 5 years of receipt (i.e. by 5 February 2030), or it will be paid back to the developer. Similarly, the LAHF monies need to be spent by the 31st March 2027.

4. Financial implications

4.1 A full financial viability analysis has been undertaken for the 4 leasehold and 2 freehold properties at the prices in Confidential Appendix 1. The viability assessments consider the ongoing cost of the property management.

4.2 The financial viability analysis is based on a number of assumptions in terms of cash outflow (costs) and inflows (rent income and opportunity savings). The cash flow has been adjusted to take account of Consumer Price Index predictions by the Office for Budget Responsibility and a discount rate of 4.5% to take account of timing value of the money for the 30-year life span of the project. The 4.5% represents the current average rate of return that would have been achieved if the starting investment would have been invested in the treasury activities.

4.3 The Net Present Value of the project is very positive and will remain true if all assumptions explained in the paragraphs above do not fluctuate significantly.

4.4 If the acquisition of the properties is agreed with the funding, this will require the Committee to recommend to Council a Supplementary Estimate to the Capital Programme to authorise the gross capital expenditure. With the commuted sum, the Council can take the approach that the net cost to the Council was zero. If the Council/West Surrey do not apply the commuted sum, then it and the successor West Surrey Council would forgo the benefit of £3.85m capital funding to support affordable housing.

4.5 This approach will provide much need additional affordable housing accommodation, easing pressures on the housing revenue budget, supporting the Nightly Paid Accommodation Savings Delivery Plan and reducing the number of households on the Council Housing Register, without incurring any additional borrowing.

5. Legal Comments

5.1 Further to section 120(1) of the Local Government Act 1972, the Council has the powers to acquire land for the purpose of any of its functions.

5.2 Any acquisition will be subject to the terms of the sale contract, transfer and any other necessary legal documentation. The Council's in-house Legal Services Team will act on behalf of the Council on the purchases.

5.3 Any acquisition must meet the requirements of Best Value Duty under the provisions of the section 3 of the Local Government Act 1999.

5.4 Failure to comply with the best value duty in terms of the proposed acquisition 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

6. Commissioners' comments

6.1 Commissioners support the acquisition of these properties to address housing need across the borough. The acquisitions are aligned with the Directions and will contribute to the Council's financial sustainability by reducing expenditure on temporary accommodation and supporting the delivery of additional housing numbers.

7. S151 Officer comments

7.1 The S151 Officer supports the recommendations and confirms that relevant financial implications have been set out. As the report sets out acquisition of these units would ease pressures on the homelessness TA revenue budget and is aligned to the Nightly Paid Accommodation Savings Delivery Plan.

8. Monitoring Officer comments

8.1 The use of the commuted sum is subject to compliance with all applicable requirements, conditions and restrictions. The proposed acquisitions must demonstrate value for money, comply with the Council's governance processes and be subject to comprehensive due diligence.

9. Procurement comments

9.1 There are no procurement implications arising directly from this report as purchase of land and property is exempt from the provisions of the procurement legislation. However, the properties will require works prior to our residents occupying them which will be procured according to the Council's Contract Standing Orders.

10. Equality and Diversity

10.1 The proposal is expected to have a positive equality impact by increasing the supply of affordable housing for households in need, including those with protected characteristics. Homes will be allocated in accordance with the Council's

Housing Allocations Policy, ensuring a fair and transparent process. No significant adverse equality impacts have been identified.

11. Sustainability/Climate Change Implications

11.1 The proposed acquisitions may have an impact on the Council's sustainability / climate change position. Any new property acquisitions will be subject to its EPC rating with those properties with a poor rating, beneath a C, potentially being disregarded. It may be however that some properties beneath this can be considered if the costs to upgrade them and improve the EPC rating are cost efficient. The acquisition of these properties will increase the Council's scope 1+2 carbon footprint through the associated boiler emissions brought under the Council's remit. Councillors should consider that current targets are to reduce the Council's scope 1+2 carbon emissions to net zero by 2030, these acquisitions may impact this.

12. LGR / Other considerations

12.1 If approved, the acquisitions will help in reducing the Nightly Paid accommodation costs, the homelessness TA revenue budget and thereby reducing West Surrey budgetary pressures.

12.2 The acquisitions would improve the amount of housing stock held by the Council for the benefit of our residents as we transition into West Surrey.

13. Timetable for implementation

If the Committee approves Option 1, we will instruct solicitors to negotiate the purchases based on the prices in Appendix 1.

14. Contact: Bruce Strong, b.strong@spelthorne.gov.uk or Vicki Ellis, v.ellis@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:

Full Council Report minute 80/26 – 16 July 2026, Residential Acquisitions for Housing Need.

Appendices:

Appendix 1 - Confidential – Table of Proposed Residential Acquisitions
Appendix 2 - Confidential - Viability Assessment for LAHF Properties
Appendix 3 - Confidential - Viability Assessment for Commuted Sum Properties
Appendix 4 - Confidential - Savings in Nightly-Paid Accommodation

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

SPELTHORNE BOROUGH COUNCIL

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**	**CASC 10/8 & 26/8**
Commissioner engagement (if report focused on issues of concern to Commissioners such as Finance, Assets etc)	**Yes**	**11/08**
Relevant Group Head review	**N/A**	
MAT+ review (to have been circulated **at least 5 working days before Stage 2**)	Yes	11/08
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**	**13/08/26**
Legal comments (circulate to Legal team)	**JC**	**10/08/26**
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**
Monitoring Officer commentary – at least **5 working days before MAT**	L Heron	11/08/26
S151 Officer commentary – at least **5 working days before MAT**	T.Collier	11/08/26
Commissioner engagement - Comments made within the report	Yes	w/C 17/8/26

Confirm final report cleared by MAT	Delete as applicable:	
		Comments in S. 7

Corporate Policy & Resources Committee

Tuesday 8th September 2026

Title	Disposal of Elmbrook House and 17 Station Road, Sunbury
Purpose of the report	To make a decision and 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 plan to be progressed towards achieving the agreed level of sales receipts by 31st March 2027.

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 Elmbrook House and generate a capital receipt	• Enter into a contract to sell Elmbrook 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.

Asset Performance

2.3 Elmbrook House and 17 Station Road, Sunbury were acquired in December 2016 and March 2018 respectively 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 Both properties have now been identified as underperforming assets. In the financial year to 31 March 2026, they 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 2016 and 2018 (see confidential Appendix 5).

2.4 Elmbrook House remained 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 most of the building is now let, this is on short term flexible leases on lower end rents with mid lease term break options included within the lease. The challenges of securing tenants previously and current reduced office take up more widely in the geographic area all point to there being no realistic prospects of the asset's value returning to its purchase price as an office investment.

Marketing

2.5 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 has been prepared and was 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.

2.6 The disposal approach for this asset was framed slightly differently than the previous Spelthorne owned, office asset marketing campaigns, on the basis it was likely the purchaser would be a residential developer either looking to convert the existing buildings to residential or redevelop the whole site to provide new residential facilities.

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 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 bidding were undertaken, with the 2nd stage being best and final offers, resulting in 4 competitive offers, in and around the target disposal price (noted in Appendix 4). All 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 the schedule of bids received in Appendix 3.

Bidder no. 1 has been selected as the preferred bidder based on:

- the highest bid,
- a proven track record,
- an unconditional offer and
- being able to agree realistic timescales for exchange and completion,
- having existing funds to complete the purchase i.e. not requiring third party financing.

2.10 A summary of the key details of the offer can be found in the confidential Appendix 4 of this report, to provide clarity on the price and terms of the disposal to assist the elected members. Knight Frank's recommendation re this disposal is included within Appendix 6.

Office Real Estate

2.11 The marketing focus of Elmbrook House was targeted to residential developers as this was considered the approach to achieve the highest sale price. This approach however did not prevent any interested office purchasers from making an offer, but as can be seen from Appendix 3, all offers received were from residential developers

2.12 The office investment market has experienced a significant decline since the assets were purchased in 2016 and 2018. There has been a reduction in 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 Station Road in Sunbury 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.

2.16 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 run-down building is worth by taking its final finished value, subtracting all the conversion costs plus the developer's profit.

2.17 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 – Agree the offer in principle and 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 interest 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 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 council tax in 2027/28 and beyond, by applying the receipt to the assets with the shortest remaining residual CFR. 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, 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 Elmbrook House has a valid EPC rating of B and 17 Station Road a D rating, both 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

18-19 Station Road (Elmbrook House) & 17 Station Road, Sunbury-on-Thames, TW16

Two existing Class E buildings with residential development potential.


Queen Mary Reservoir
Ashford Manor Golf Club
Windsor
BP Campus
Bedfont Lakes Country Park
Sunbury Cross Shopping Centre
Sunbury Manor School Grounds
M3
Heathrow Airport
M3 J1
A316
18-19 Station Road (Elmbrook House) & 17 Station Road
Sunbury
A308
Site boundary is for indicative purposes only.

The opportunity.

18-19 Station Road (Elmbrook House) & 17 Station Road, Sunbury-on-Thames, TW16 6SU

Knight Frank are delighted to seek unconditional offers for Elmbrook House and 17 Station Road, two income producing Class E buildings with residential development potential

- Freehold value-add opportunity
- Excellent transport links, being located directly next to Sunbury Station - 30 minutes into South-West London and 45 minutes into Central London
- Prominent Sunbury-on-Thames location benefitting from a diverse and evolving amenity offering
- Elmbrook House is multi-let to three tenants with an achievable break date of July 2027 (details on page 6). 17 Station Road is let out with a fixed uplift to £19,000 per annum in September 2026
- Existing office accommodation - Elmbrook House comprises circa 16,113 sq ft (1,497 sq m) NIA and 17 Station Road comprises circa 1,001 sq ft (93 sq m) NIA
- Elmbrook House has 82 parking spaces and 17 Station Road has 4 parking spaces
- The properties sit under titles - SY600970 (Elmbrook House) and SY699175 (17 Station Road)
- Offers a good investment opportunity with significant development potential
- A high level feasibility study has been produced by Formation Architects demonstrating the sub division of Elmbrook House into 27 residential units and 17 Station Road into 1 house

Admiral Hawke Pub


Sunbury Park


Cedars Recreation Ground

Little Italy Cafe

Location

Sunbury-on-Thames is an established and highly regarded riverside town, combining the character and quality of Surrey living with excellent access to London and the wider South East. Positioned along a scenic stretch of the River Thames, Sunbury offers a rare blend of connectivity, green space and a strong local community, making it an increasingly popular choice for families, professionals and downsizers alike.

Nearby parks and green spaces, including Kempton Park and the Thames Path, provide opportunities for walking, cycling and outdoor recreation, contributing to a strong sense of wellbeing and lifestyle appeal. Despite its suburban setting, Sunbury retains a village-like character supported by historic buildings, local pubs and independent amenities.

The town is home to a number of well-regarded cafés, coffee shops and casual eateries, alongside popular traditional and riverside pubs such as The Magpie and The Phoenix, and a choice of restaurants offering British, Indian and international cuisine. Everyday needs are well served by local shopping parades, convenience stores, pharmacies and supermarkets, with more extensive retail and leisure provision available nearby in Staines-upon-Thames, Walton-on-Thames and Kingston. Sunbury also benefits from a notably strong sporting and leisure offer, including local cricket, football and rugby clubs, gym and fitness facilities. Kempton Park Racecourse, hosts major sporting events and hospitality throughout the year.

Transport

The Site benefits from a Public Transport Accessibility Level (PTAL) of 4, reflecting convenient walking access to Sunbury rail station and regular bus services connecting into the surrounding area and Greater London.

The site's multi-modal accessibility underpins Sunbury's attractiveness for residential-led development.

Road Access

Sunbury-on-Thames is well positioned for road travel, with direct access to the A316, connecting to the M3 and onward to the M25.

Central London
Approximately 35–45 minutes by car (off-peak)

M25 (Junction 11/12)
Approximately 10–15 minutes

M3
Approximately 5 minutes

National Rail

Sunbury Station provides direct services to London Waterloo via the Shepperton Line. Journeys are 30 minutes into South West London and 45 Minutes into London Waterloo.

London Bus

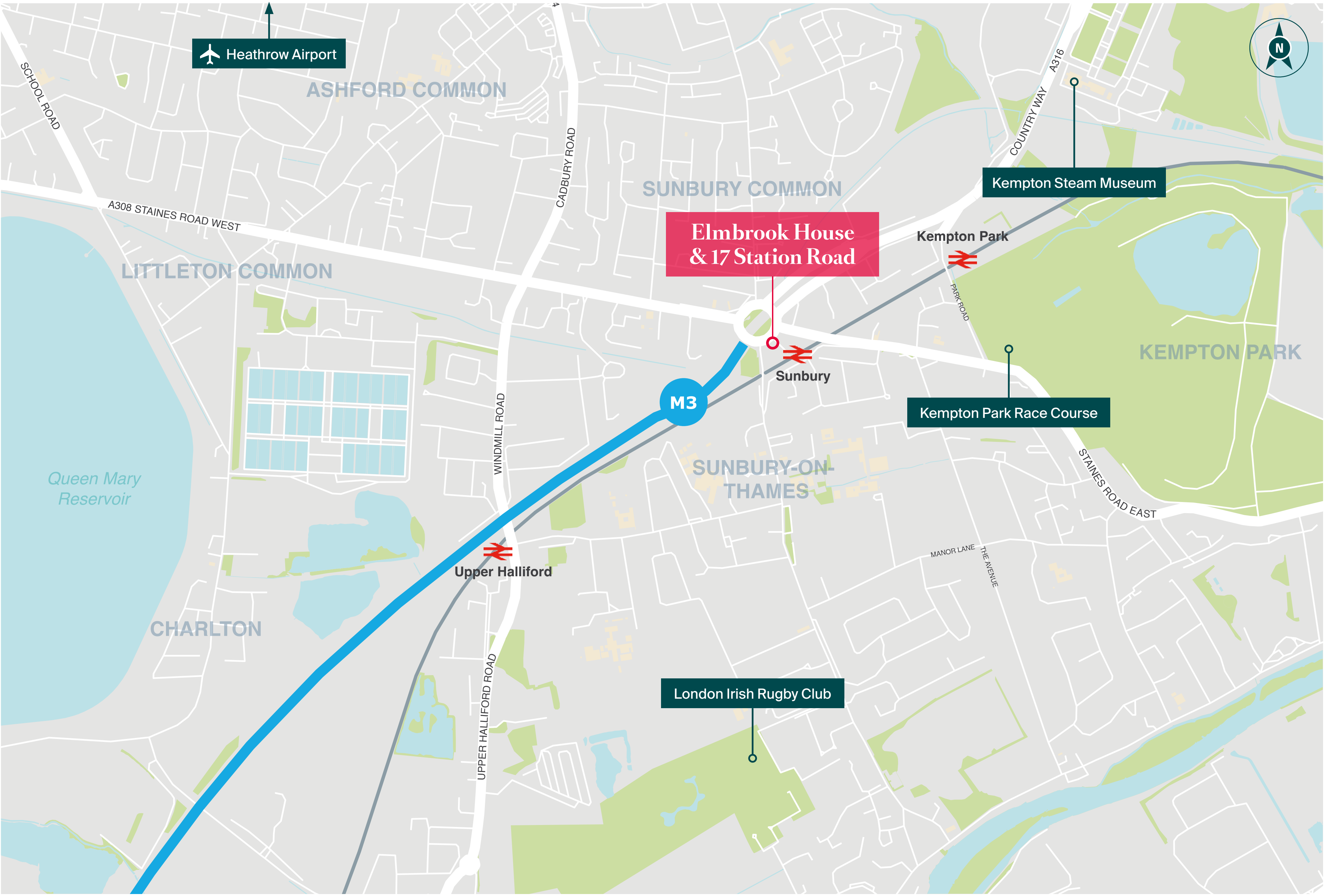
Numerous bus routes operate nearby the site, every 5-10 minutes.

Airports

Heathrow Airport
Approximately 9 miles (20 minutes) by car

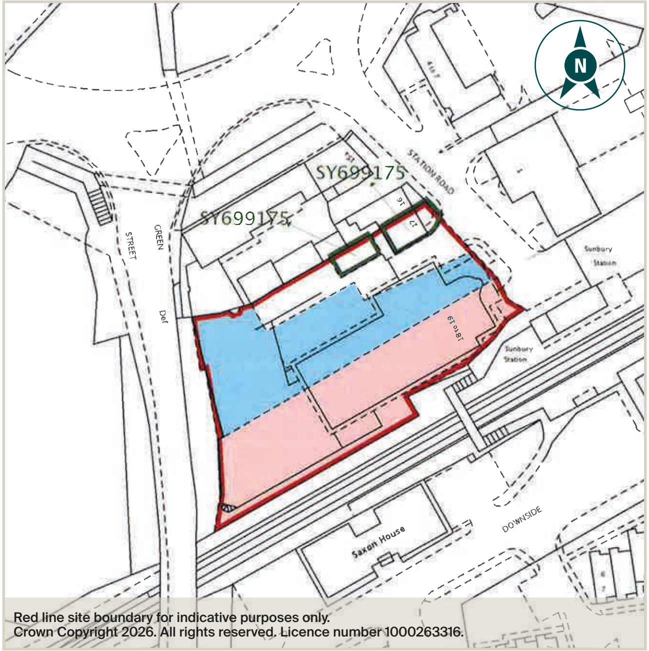
London City Airport
Approximately 30 miles (55 minutes) by car

Gatwick Airport
Approximately 40 miles (50 minutes) by car via the M25


Heathrow Airport
ASHFORD COMMON
SCHOOL ROAD
CADBURY ROAD
A308 STAINES ROAD WEST
SUNBURY COMMON
COUNTRY WAY
A316
Kempton Steam Museum
Elmbrook House
& 17 Station Road
Kempton Park
PARK ROAD
LITTLETON COMMON
Sunbury
M3
KEMPTON PARK
Kempton Park Race Course
WINDMILL ROAD
Queen Mary
Reservoir
SUNBURY-ON-
THAMES
STAINES ROAD EAST
Upper Halliford
MANOR LANE
THE AVENUE
CHARLTON
UPPER HALLIFORD ROAD
London Irish Rugby Club

Description

The total acreage for both titles extends to 0.654 acres (0.265 hectares) and both properties existing use is office (Class E). There are currently 3 tenants occupying Elmbrook House, a total of 15,695 sq ft GIA and there is 2,600 sq ft GIA of vacant space following the lease surrender of the previous tenant. 17 Station Road is occupied and measures 859 sq ft GIA. 17 Station Road has two-storeys and Elmbrook House has three-storeys.



Red line site boundary for indicative purposes only.

Existing accommodation and tenancy schedule

Property	Unit name	Tenant	Lease status	Lease years	Term start date	Term end date	Next review	Break date	Outside 1954 Act	Floor area sq ft NIA	Passing rent	Rent pa/psf
Elmbrook House	Part ground floor north	Vacant	Surrendered	-	-	-	-	-	No	2,600	-	-
Elmbrook House	Part ground floor south	AME Holdings Ltd	Current	5	26/07/2024	25/07/2029	-	26/07/2027	Yes	3,062	£30,620	£10.00
Elmbrook House	First floor	Ferrari Express Limited	Current	5	21/12/2023	20/12/2028	-	20/12/2026	Yes	5,843	£160,166	£27.41
Elmbrook House	Second floor	Celebrus Technologies Plc	Current	5	10/01/2024	09/01/2029	-	09/01/2027	Yes	6,581	£171,314	£26.03
17 Station Road	17 Station Road	Desaur & Co Ltd	Current	5	25/09/2025	24/09/2030	25/09/2026	-	Yes	749	£18,000	£24.03

*17 Station Road has a fixed uplift to £19,000 per annum from the review date.

*Please note that VP date of July 2027 is only possible if Landlord serves break option by July 2026. It is a rolling mutual option on 12 months notice after 20/12/2026 and 09/01/2027.

External photos





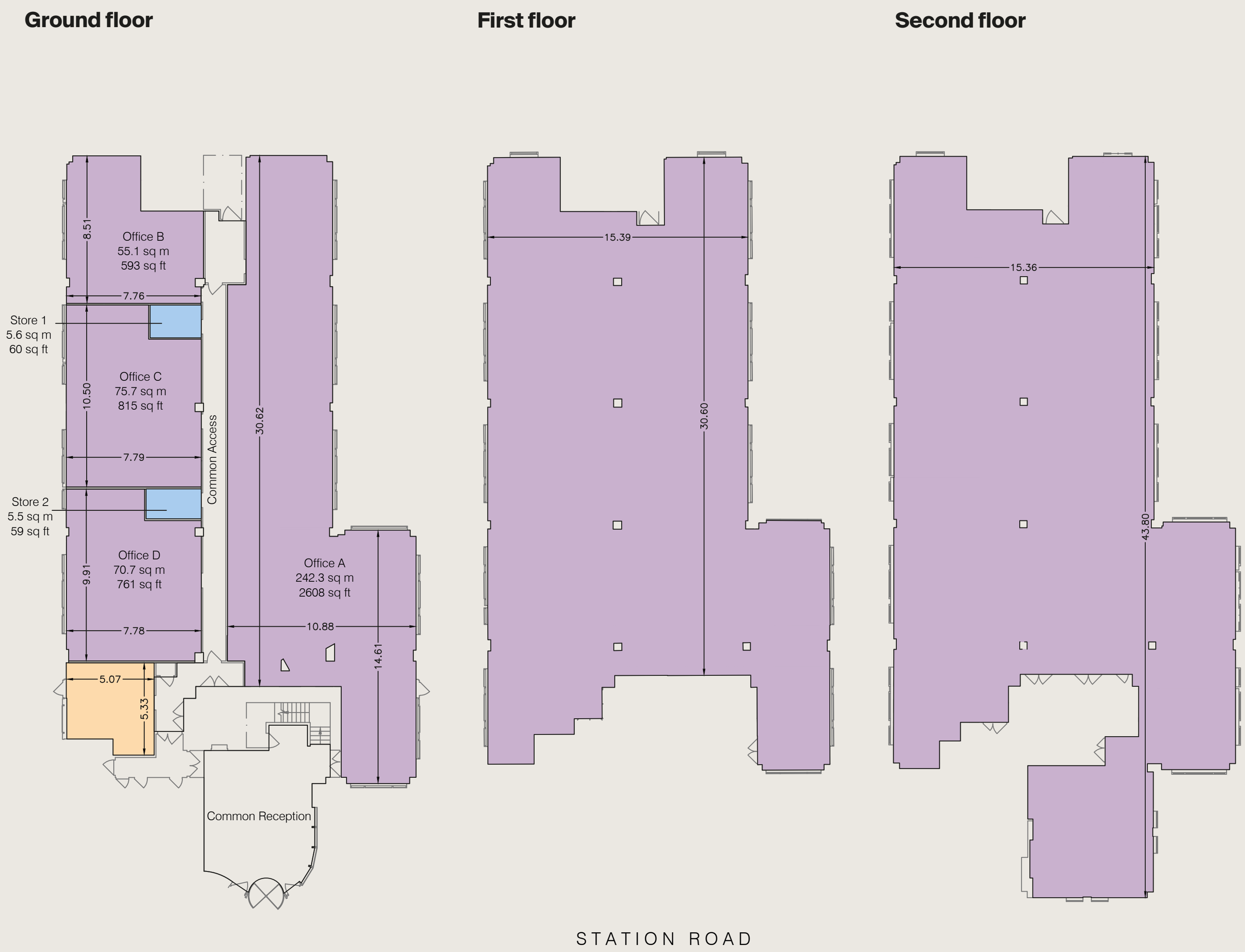

Existing floor plans Elmbrook House

Ground	Sq ft	Sq m
Office A	2,608	242.3
Office B	593	55.1
Office C	815	75.7
Office D	761	70.7
Store 1	60	5.6
Store 2	59	5.5
Kitchen	263	24.4
Ground Floor Total	**5,159**	**479.3**

First	Sq ft	Sq m
Office	5,843	542.8

Second	Sq ft	Sq m
Office	6,581	611.4

Total	**17,583**	**1,633.5**



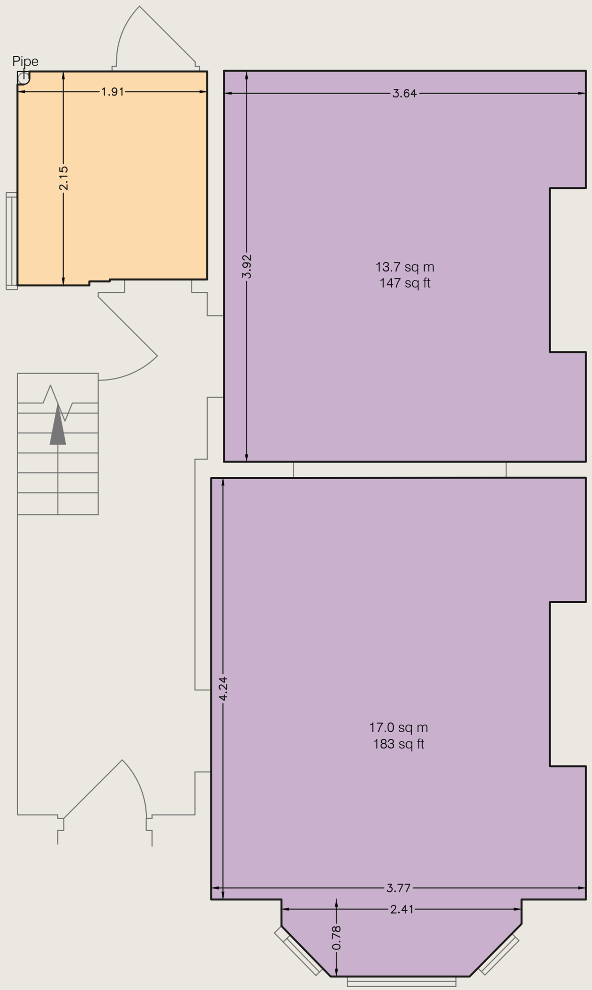
Existing floor plans
17 Station Road

Ground	Sq ft	Sq m
Office	330	30.7
Kitchen	43	4.0
Ground Floor Total	**373**	**34.7**

First	Sq ft	Sq m
Office	376	35.0

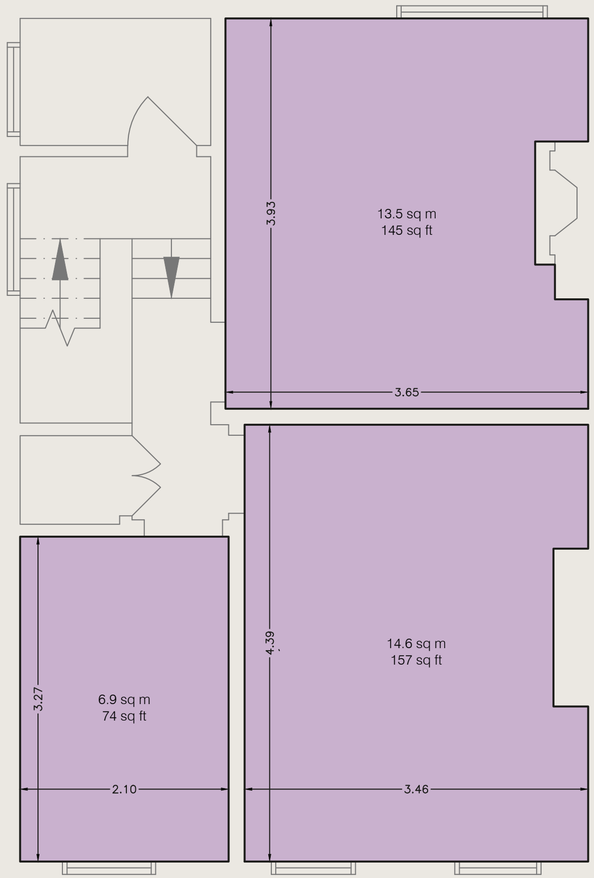
Total	**749**	**69.7**

Ground floor



STATION ROAD

First floor



STATION ROAD

Potential and asset management opportunities

Elmbrook House

The Site offers extensive asset management opportunities to undertake a comprehensive refurbishment to create modern, contemporary office accommodation. There is also the potential to explore alternative uses on the site, primarily conversion to residential via permitted development rights, to capitalise on the strong demand for such product.

The feasibility study drawn up by Formation architects outlines a permitted development (MA) scheme for Elmbrook House, compromising 27 units (circa 16,113 sq ft NSA).

There is also the potential to pursue alternative uses to include hotel, serviced apartments, a small Co-Living Scheme or residential use subject to the necessary consents.

The proposals deliver the following unit sizes and areas:

- Studios: 3 units
- 1b2p: 19 units
- 2b3p: 2 units
- 2b4p: 3 units

Total: 27 units

Total NSA: 1,497sqm (16,113 sq ft)

The existing building and window arrangement naturally lends itself to 1 bedroom apartments and this is reflected in the mix above. This allows for good unit layouts at minimum NDSS sizes. A unit mix with larger units could also be accommodated but these would likely be oversized and of less good quality.

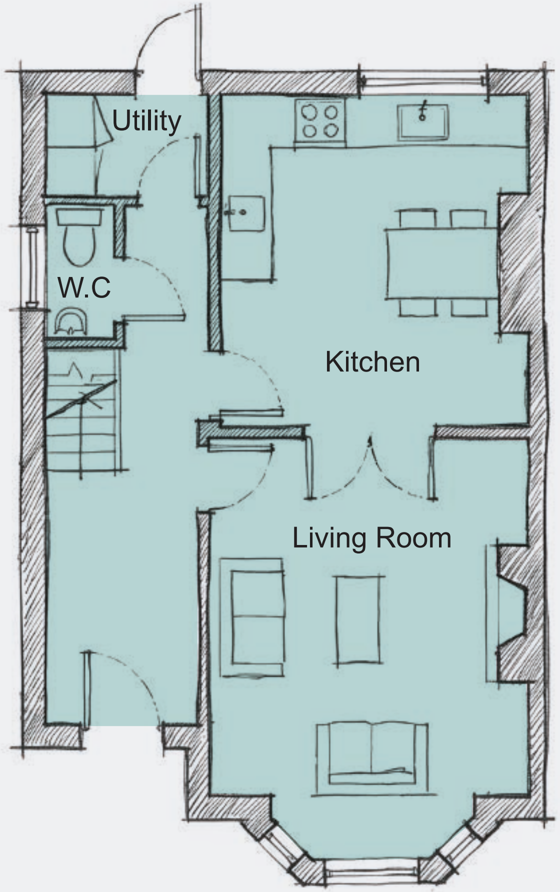
17 Station Road

This study explores the potential for an office to residential Permitted Development conversion for 17 Station Road, Sunbury.

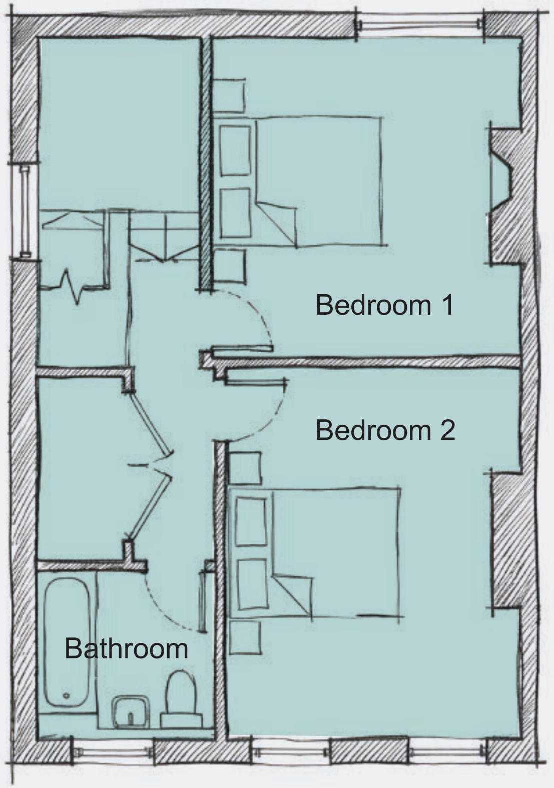
The proposals deliver a single 2 bedroom house of 93 sq m (1001 sq ft).

The building could also be divided into two single apartments (similar to 16 Station Road) but this would require a two-storey rear extension and would not fall under Permitted Development.

Ground floor



First floor



Tenure

Title Numbers: SY600970 and SY699175.

EPC

EPC's can be found in the dataroom site.

VAT

18-19 Station Road (Elmbrook House) is elected for VAT. 17 Station Road is not elected for VAT. The sale can be treated as a Transfer of Going Concern (TOGC).

Data room

Please request dataroom access from **james.scott@knightfrank.com**

An information pack has been compiled to assist parties in formulating their offers. The pack contains the following details:

- Title documents
- Technical documents
- Indicative Scheme

Method of sale

Unconditional offers are sought for the freehold interest by way of informal tender. Subject to contract only. Developers are asked to explicitly state their assumptions made in producing the offer, providing full details of financial aspects including timing of payments, details of any conditions and proof of funding for the transaction.

Please also clearly state and identify any due diligence that you will require to be carried out and the timescale within which you anticipate achieving exchange of contracts and contractual completion.

Site boundary is for indicative purposes only.

Contact us.

James Scott
Residential Development
+44 7966 230 391
james.scott@knightfrank.com

Nick Alderman
Residential Development
+44 7786 856 173
nick.alderman@knightfrank.com

Henry Wyld
Capital Markets
+44 7768 833 478
henry.wyld@knightfrank.com

knightfrank.co.uk

Your partners in property

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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.

Published on 26 August 2026

Spelthorne Borough Council

Service Committees Forward Plan and Key Decisions for 1 July 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 08 09 2026 Council 17 09 2026	Disposal of Elmbrook House and 17 Station Road, Sunbury	Key Decision	Part public/part private	Coralie Holman, Group Head - Assets
Corporate Policy and Resources Committee 08 09 2026	Governance Assurance update - Organisational Resilience and Cyber Resilience	Key Decision	Part public/part private	Lee O'Neil, Deputy Chief Executive
Corporate Policy and Resources Committee 08 09 2026	Q1 2026/27 Performance Report	Key Decision	Public	Sandy Muirhead, Group Head - Commissioning and Transformation, Lee O'Neil, Deputy Chief Executive
Corporate Policy and Resources Committee 08 09 2026	Complaints Reporting	Key Decision	Public	Sandy Muirhead, Group Head - Commissioning and Transformation
Corporate Policy and Resources Committee 08 09 2026	Treasury Management Annual Outturn Report 2025/26	Key Decision	Public	Peter Worth, Interim Treasury Management Accountant
Corporate Policy and Resources Committee 08 09 2026	Residential Acquisition for Housing Need	Key Decision	Part public/part private	Bruce Strong, Investment Asset Manager

Published on 26 August 2026

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	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 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	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 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 12 10 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

Published 26 August 2026

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	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	Eclipse Leisure Centre Capital Outturn	Non-Key Decision	Public	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	Improvement and Recovery Plan Progress Update	Key Decision	Public	Gordon Mitchell, Interim Chief Executive
Corporate Policy and Resources Committee 12 10 2026	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 12 10 2026	Medium Term Financial Strategy Refresh	Key Decision	Public	Altin Bozhani, Interim Deputy Chief Finance Officer, Terry Collier, Deputy Chief Executive

Published 26 August 2026

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 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 Council 10 12 2026	Phase Two Asset Rationalisation	Key Decision	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
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
Corporate Policy and Resources Committee 30 11 2026 Council 10 12 2026	Improvement and Recovery Plan Progress Report	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	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
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

Published 26 August 2026

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	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
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

This page is intentionally left blank