Minutes of the Commercial Assets Sub-Committee
28 April 2025

Present:

Councillor L. E. Nichols (Chair)

Councillors:

D. Saliagopoulos H.R.D. Williams

Independent Member: Mark Bunney

Substitutions: Councillors M. Beecher (In place of A. Gale)

T. Burrell (In place of S.N. Beatty)

D.C. Clarke (In place of R. Chandler)

Apologies: Councillors S. N. Beatty, R. Chandler, A. Gale

43/25 Apologies for absence & substitutions

Apologies were received from Councillor Beatty, and Councillor Burrell attended as his substitute. Apologies were received from Councillor Chandler, and Councillor Clarke attended as her substitute. Apologies were received from Councillor Gale, and Councillor Beecher attended as his substitute.

44/25 Minutes

The minutes of the meeting held on 31 March 2025 were agreed as a correct record.

45/25 Disclosure of Interest

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

46/25 Questions from members of the Public

There were none.

47/25 Best Value Inspection - Next Steps

The Committee were advised there was no update to provide yet as the Ministry had not confirmed next steps. However, on the basis of the draft directions, a consolidated action plan had been collated that would be presented to the next meeting of the Audit Committee.

Progress had been made on the exchange and completion of the recent Council-approved site disposals, which addressed some aspects of the draft directions. The Chair encouraged that the Chair and Vice-Chair of the Business, Infrastructure and Growth Committee be involved in any further steps in a disposals programme.

48/25 Urgent Actions

The Sub-Committee received an Urgent Action for the surrender and letting of Unit 37 in the Elmsleigh Centre.

The Sub-Committee **resolved** to note the urgent action that had been taken by the Chief Executive in consultation with the Chair and Vice-Chair of the Sub-Committee.

49/25 Forward Plan

The Sub-Committee **resolved** to note the forward plan.

50/25 Exclusion of Public and Press (Exempt Business)

It was proposed by Councillor Clarke, seconded by Councillor Beecher and **resolved** to exclude the public and press for the following agenda items, in accordance with paragraph 3 of part 1 of Schedule 12A of the Local Government Act 1972 (as amended) because it was likely to disclose information relating to the financial or business affairs of any particular person (including the authority holding that information) and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because disclosure to the public would prejudice the financial position of the authority in being able to undertake even handed negotiations and finalizing acceptable contract terms.

51/25 Variation of Lease, Thames Tower

The Sub-Committee considered the grant of a reversionary lease at Thames Tower.

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

The Sub-Committee **resolved** to:

1) Approve the grant of a reversionary lease extending the term of the existing lease in accordance with the Heads of Terms set out in Appendix 1; and
2) Authorise the Group Head of Assets in consultation with the Chair and Vice-Chair of the Commercial Assets Sub-Committee to agree to any variations to the proposed terms; and
3) Authorise the Group Head of Corporate Governance to enter the Reversionary Lease, Deed of Variation and any associated legal documentation.

52/25 Update on the BP Southwest Corner

The Sub-Committee received an update on the BP Southwest Corner.

The Sub-Committee **resolved** to note the update on the BP Southwest Corner.

53/25 Commercial Portfolio Update

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

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

54/25 Asset Investment Strategy 2025/26 (including Amalgamated Business Plans)

The Sub-Committee received the Asset Investment Strategy 2025/26 which included the amalgamated business plans for properties within the Council's Investment and Regeneration portfolios. The Group Head – Assets presented the report which set out the rental income statistics and vacancy rates for each property as well as key lease events and any major expenditure on future planned projects that were required. The Council's Recovery Plan would aim at reducing re-letting and void costs through advancing lease renewals where able to provide more income certainty.

The Sub-Committee explored whether expenditure for required works undertaken on the properties should be treated as capital or revenue expenditure, and were advised that works were treated as revenue expenditure as they usually did not add any capital value to properties. This approach was not inconsistent with approaches taken elsewhere.

The Sub-Committee **resolved** to note the content of the Asset Investment Strategy which set out the key priorities and key focuses for proactive management of the Council's Investment and Regeneration Portfolio during 2025/26, subject to the requested information requested during the meeting being included before presentation to the Corporate Policy and Resources Committee.

55/25 Elmsleigh Centre Management Report

The Sub-Committee received the management report for the Elmsleigh Centre for quarter four of 2024.

The Sub-Committee were assured that appropriate checks were undertaken on each tenant in the shopping centre. Regular meetings also took place with the Staines Business Improvement District Board and the local PCSOs to monitor issues in Staines town centre.

The Sub-Committee **resolved** to note the report and expressed an interest in reviewing the next quarterly report.

56/25 Annual Valuations 2025

The Sub-Committee received the Annual Valuations for 2025.

The Group Head- Assets provided a narrative around the valuations. The valuations were provided by a new valuer and had been robustly reviewed.

The valuations were a key component in the Council's Statement of Accounts and would be reviewed by the Audit Committee as part of the annual statement.

The Sub-Committee **resolved** to note the Annual Valuations for 2025.

Meeting ended 15.16