

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 | 13/08/25 |
| 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 | yes | 13/10/25 |
| | Reviewed by | |
| Risk comments | | |
| Legal comments | L. Heron/ J. Clare | 14/08/25 15/08/25 |
| 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 | 25/09/25 |
| S151 Officer commentary – at least 5 working days before MAT | TC | 18/8/25 |
| | | |
| Confirm final report cleared by MAT | | |

Corporate Policy and Resources Committee

13 October 2025

| | |
|----------------------------------|---|
| Title | Arora Agreement Termination - Waterfront, Bridge Street, Staines-upon-Thames |
| Purpose of the report | To make a decision |
| Report Author | Bruce Strong, Investment Asset Manager |
| Ward(s) Affected | All Wards |
| Exempt | No |
| Exemption Reason | n/a |
| Corporate Priority | Resilience |
| Recommendations | Committee is asked to: Approve the termination of the 'Conditional Agreement for Grant of Head Lease' (Agreement) between Spelthorne Borough Council and Arora Waterfront Ltd and Arora Hotels Ltd. |
| Reason for Recommendation | This is a prime riverside development at the gateway to Staines-upon-Thames and in terminating the Agreement this will allow the Council to take control of the site and develop a disposal strategy. |

1. Executive summary of the report

| What is the situation | Why we want to do something |
|---|---|
| <ul style="list-style-type: none">The developer indicated their intention to terminate the existing Agreement.This prime riverside site has a history of developer interest without any progress being made for over a decade and its regeneration is key to Staines-upon-Thames.Hanover House and the former Sea Cadet building are vacant and currently incur significant monthly holding costs. The car park is also under-utilised with | <ul style="list-style-type: none">The site is run down, under-utilised and offers negative townscape impacts for a prime riverside site that acts as a gateway into Staines-upon-Thames.The earliest contractual opportunity the Council can terminate the Agreement is 7 February 2027 if the developer fails to obtain planning permission. By mutually agreeing to end the Agreement earlier than this we can move forward in |

| | |
|--|---|
| <p>the ground floor not capable of occupation due to flood risk policy and it attracts anti-social behaviour.</p> <ul style="list-style-type: none"> Options for redeveloping the site are outlined in the emerging Local Plan designation, the Draft Design Code and Strategic Flood Risk Assessment for the site meaning the redevelopment of the site will need to be carefully considered in a disposal strategy. | <p>developing a disposal strategy for the site.</p> |
| This is what we want to do about it | These are the next steps |
| <ul style="list-style-type: none"> Terminate the existing Agreement to give the Council control of the position/site and expedite the agreement of a disposal strategy. | <ul style="list-style-type: none"> Enter into a legal agreement to terminate the Agreement, at nil consideration. Develop the disposal strategy for the site. |

2. Key issues

- 2.1 The Council owns a large portfolio of land and assets, which are held for a variety of purposes with the car park being owned by the Council historically and Hanover House was acquired in 2018 to facilitate a complete regeneration of this gateway site. The Council has a statutory responsibility to achieve best consideration from all its property holdings.
- 2.2 Terminating the agreement with Arora before the earliest contractual opportunity will enable earlier development of the options for the site and the disposal strategy and the subsequent re-marketing of the site. This will identify alternative interest and uses and progress a disposal at the earliest opportunity thereby ending the payment of holding costs. Due to the constrained nature of the site a capital receipt is not guaranteed. However, if a disposal completed on a freehold basis or if a rent is paid on a long leasehold disposal which can be capitalised this would, longer term, relieve pressure on the Council's revenue budget. By applying the capital receipt to pay down Council long term debt this would reduce interest and the minimum revenue provision charges to the Revenue Budget. This would be in line with the comprehensive assets' rationalisation plan and debt reduction strategy being brought forward as part of the Improvement and Recovery Plan.
- 2.3 The site is a significant development opportunity, albeit with planning and environmental constraints, mainly related to flooding which limits ground floor development, use type and density of development. Significant consideration will need to be given to the site and the redevelopment options if the termination of the agreement with Arora is approved.

2.4 The holding costs and income for the site are as below:

| | Income £ | Business Rates £ | Minimum Revenue Provision £ | Other Holding Costs, e.g. security, insurance & utilities £ | Net Income pa £ |
|---------------------------|--|----------------------------|--|---|---------------------------|
| Hanover House | n/a | -75,000 | -45,300 | -21,000 | -141,300 |
| Former Sea Cadet Building | n/a | n/a | | -1,500 | -1,500 |
| Bridge St Car Park | 75,500 (parking fees, season tickets & penalty charges) | -42,000 | | -6,000 | 27,500 |
| Total | 75,500 | -117,000 | -45,300 | -28,500 | -115,300 |

3. Options appraisal and proposal

- 3.1 Option 1 – Proceed with terminating the Agreement with Arora as soon as possible. **This is the recommended option** as it gives the Council control of the site and allows immediate review of the options for the site and the formulation of a disposal strategy.
- 3.2 Option 2 – Wait until the earliest contractual opportunity the Council has to terminate the Agreement being the 7 February 2027. **This is not the recommended option** as it will lead to the Council incurring ongoing site holding costs for c. 15 months equating to £144,000 and a knock-on delay in being able to implement a site options review and disposal strategy.

4. Risk implications

- 4.1 Reputational risk - A press release has been issued confirming the Council is considering terminating the Agreement with Arora subject to full Council approval and there is therefore no further reputational risk in bringing the termination of the Agreement forward. By acting decisively this demonstrates the Council is taking control of the site and its regeneration earlier than allowed contractually in the Agreement.

- 4.2 The Agreement not being terminated – A Deed of Termination is in an agreed final form between the Council and Arora. The risk of the agreement not being terminated is minimal.
- 4.3 Local Government Reorganisation – Any delay in making decisions caused by Local Government Reorganisation could affect future developer interest.
- 4.4 Financial risk – holding the site until the Agreement with Arora expires will expose the Council to holding costs for longer.
- 4.5 Vandalism & Anti-social behaviour – The site is partially vacant and is often subject to vandalism and graffiti which incurs cost to attend and rectify.

5. Financial implications

- 5.1 There is no loan on the property and the acquisition costs and accumulated capitalised costs for Hanover House have been written off in 2023-24. Given this, any capital receipt on a subsequent disposal can be used to pay down debt held by the Council. A disposal will end the holding costs for the site.

6. Legal comments

- 6.1 The Agreement between the Council and the developer will be terminated by way of a deed of termination and Legal Services together with the external advisers will assist in the preparation and formal completion of all necessary documentation.
- 6.2 Under section 123 of the Local Government Act 1972 the Council has statutory powers to dispose of land and property subject to provisions set out in that section.

Corporate implications

7. S151 Officer comments

- 7.1 Whilst the ongoing holding costs of this regeneration site are not as significant as other regeneration sites in the ownership of the Council, in part due to a large part of the site being an operational car park which is generating some revenue income, nevertheless there is the potential if the site was disposed of for an appropriate regeneration purpose to make a contribution towards the debt reduction plan objectives to be set out in the Improvement and Recovery Plan due to be approved by Council on 23rd October 2025. Any disposal could either be a freehold disposal generating an upfront capital receipt available for early debt repayment or on a long leasehold disposal generating a revenue stream contributing towards the successor unitary authority's financial viability. Depending on the length of the marketing and evaluation exercise any disposal decisions could potentially fall under S24 constraints requiring Shadow Authority sign off or fall to the successor unitary.

8. Monitoring Officer comments

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

9. Procurement comments

- 9.1 There are no considerations for procurement as the paper relates to terminating an agreement.

10. Equality and Diversity

- 10.1 There are no direct equality issues arising from the termination of the Agreement.

11. Sustainability/Climate Change Implications

- 11.1 Requirements relating to the sustainability and climate change of any development will be a developer responsibility.

12. Other considerations

- 12.1 To gain possession of the Bridge Street car park will take up to 9 months and this timing needs to be factored into consideration of future options.

13. Timetable for implementation

- 13.1 Immediately if the recommendations are approved.

14. Contact

- 14.1 Bruce Strong, Asset Manager, b.strong@spelthorne.gov.uk

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

Background papers: There are none.

Appendices:

Appendix 1 – Waterfront Site Plan