

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	March 26
Commissioner engagement (if report focused on issues of concern to Commissioners such as Finance, Assets etc)	Yes	March 26
Relevant Group Head review	N/A	
MAT+ review (to have been circulated at least 5 working days before Stage 2)	Y	19/3/26
This item is on the Forward Plan for the relevant committee	Y	
	Reviewed by	
Risk comments	CH/TC	25/03/26
Legal comments	LH	23/03/26
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	23/03/26
S151 Officer commentary – at least 5 working days before MAT	T. Collier	20/3/26
Commissioner engagement	Delete as applicable:	Comments in S.7
Confirm final report cleared by MAT		31/3/26

Corporate Policy & Resources Committee

20th April 2026

Title	Adoption of a Commercial Strategy for Spelthorne Borough Council
Purpose of the report	To make a recommendation
Report Author	Coralie Holman – Group Head Assets
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	n/a
Corporate Priority	Community, Addressing housing need, Resilience, Environment, Services
Recommendations	<p>Committee is asked to:</p> <ol style="list-style-type: none"> 1. Approve the adoption of this Commercial Strategy covering all Council commercial activity
Reason for Recommendation	The Council undertakes a wide range of commercial activity, and it is a requirement of good governance to ensure there is a corporate framework setting out how commercial activity should be approached and assessed to comply with best practice and ensure value for money is achieved.

1. Executive summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> • The Council is under statutory intervention and must deliver an Improvement and Recovery Plan, which includes creating a Commercial Strategy. • A draft Commercial Strategy has now been developed with input from Members, Officers, Commissioners, and a specialist consultant 	<ul style="list-style-type: none"> • The Commercial Strategy provides a clear, disciplined framework to strengthen financial resilience, embed commercial thinking across all services, and ensure Spelthorne Borough Council is fully prepared for transition to the new unitary authority in 2027. <p>1.1 The strategy consolidates commercial, procurement and governance expectations into a single approach focused on value for money, good governance compliance and public benefit.</p>

This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> To introduce a consistent, commercial mindset across the Council, ensuring all decisions are transparent, affordable, well-governed and aligned with Corporate Plan priorities and financial sustainability. 	<ul style="list-style-type: none"> The principles contained within the Strategy will be applied to all new Council commercial activities.

2. Key issues

- 2.1 The Council have adopted the Improvement and Recovery Plan (IRP) in a response to the statutory directions issued under Part 1 of the Local Government Act 1999. The IRP focuses on the Council's commitment to achieve long-term financial stability.
- 2.2 Any activity where the Council purchases, procures or undertakes work in relation to goods and services typically falls within the definition of commercial activity. Hence every area of the Council will in some manner undertake commercial activity. There is currently no corporate approach or lead officer setting out how commercial activity should be approached and in turn what 'good' or 'bad' commercial activity looks like.
- 2.3 One of the actions within the Commercial, Regeneration and Housing theme within the IRP is the introduction of a commercial strategy, both to provide a corporate framework during this Council's last months of sovereignty, but also in preparation and readiness for the new West Surrey Council. The intention of the strategy is a high-level framework of best practice principles, which is both flexible and suitable for a broad range of emerging council commercial activity.
- 2.4 The strategy is not intended to provide a detailed set of commercial activity requirements which must be applied in granular detail. It is also envisaged the new framework will apply to new commercial activity. It is not intended to re-visit existing commercial agreements in advance of contract end dates.
- 2.5 The Corporate Plan sets out goals across community wellbeing, housing, resilience, the environment and service improvement and each of these relies on sound financial stewardship and the careful management of resources together with interaction with commercial providers of goods and services.
- 2.6 Being commercial for the Council means balancing financial purpose with public value. This is a change of mindset, from where this Council may have considered its main commercial activity being owners of a commercial asset portfolio.
- 2.7 To provide a framework setting out how the Council should undertake commercial activity is key for uniformity in terms of approach and setting required outcomes. This is what this strategy aims to embed and explain to the wide range of council activities that do constitute commercial activity.
- 2.8 There are currently inconsistent commercial practices across services. Commercial approaches including procurement, contract management, decision-making, vary widely. This inconsistency leads to inefficiencies, non-compliance, and uneven performance.

- 2.9 Not all contracts are actively managed. This creates issues including unclear ownership, weak KPI monitoring, inconsistent performance reviews, limited documentation and audit evidence.
- 2.10 It is vital to ensure that the Council is taking a consistent approach when making all commercial decisions, whether related to procurement, contracts, assets or expenditure. The Council needs to ensure that these commercial decisions are taken in a disciplined, transparent and well assured manner.
- 2.11 Many services lack full lifecycle cost visibility across overheads, staffing, maintenance, and long-term commitments. This can lead to poor business cases, unintended costs, inaccurate financial planning.
- 2.12 As the strategy impacts both Officers and Members, it was important to develop a strategy that reflects good commercial practice, bench marked against neighbouring authorities, but also that it reflects the needs of this Council. Hence a workshop was held in February, where all Committee Chairs and Vice Chairs were invited to attend together with senior council officers and the Commissioner team.
- 2.13 The workshop was facilitated by part of the Chartered Institute of Public Finance and Accountancy (CIPFA), utilising experienced consultants with whom we could share ideas and thoughts. The Spelthorne requirements have then been incorporated within a strategy document that sets out the key principles of commercial activity which are considered essential for ensuring that Spelthorne Borough Council operates efficiently, sustainably, and in a way that delivers clear value for money across all services.
- 2.14 The strategy sets out how anyone within the Council connected to operational activity and decision making should apply using a disciplined, evidence-based way of thinking and working to ensure we uphold a high standard of corporate governance, how we are spending money and measuring the successful delivery and receipt of service provision.
- 2.15 The coming years will continue to be financially challenging. Internal and external pressures make it essential that we maximise income, reduce costs and manage financial risks in a well-informed way. It is important to recognise that commercial activity is a responsibility shared by everyone across the Council, from the choices and decisions we make in how we spend money, to the scrutiny we give to those spending decisions.
- 2.16 Many of the factors laid out in the Corporate Plan, Improvement & Recovery Plan, (IRP) and Medium-Term Financial Strategy (MTFS) are directly relevant to the successful delivery of this strategy. It underpins the creation of a modern council with aligned structures, systems, processes, and cultural practices.
- 2.17 The core principles within the strategy explain how we should make decisions, spend money responsibly, and work with others. They set the standard for how commercial and procurement activity will be approached and delivered and the strategy has been very much delivered to ensure it aligns with the Council's new procurement requirements and emerging contract management practices.

3. Options appraisal and proposal

- 3.1 Option 1 – Agree adoption and implementation of the proposed Commercial Strategy.

This is the recommended option as it gives the Council a focused, transparent and high-performing commercial environment that protects public money, strengthens services, supports residents, and ensures the organisation hands over a stable and well-governed commercial framework to the new authority.

3.2 Option 2 – Do not adopt the Commercial Strategy.

This is not the recommended option as it will not give the Council a clear, consistent, commercial strategy and potentially result in higher costs and inefficient decision making when analysing commercial opportunities between Service Areas in the Council.

3.3 Option 3 - Further consider the content of the strategy and seek amendments to provide a more detailed set of commercial activity requirements.

This option is not recommended, on the basis the intention of the strategy is a high-level framework of best practice principles, that has been prepared to ensure it is flexible and suitable for emerging council commercial activity during the last 12 months of Spelthorne Borough Council's tenure and transition to being a part of the new West Surrey Council.

4. Risk implications

4.1 Commercial activity can take many forms. Work involving procurement and contract management of goods and services must comply with statutory requirements in some areas, however, carries relatively low risk. Whereas commercial activity not typically associated with District and Borough Council activities, may require specialist expertise, which is often not available within existing internal resource, hence specialist consultant services may need to be 'bought' in to ensure outcomes are successfully achieved.

4.2 Traditional council cultures are often risk-averse, which can conflict with the agile, "fail-fast" mindset (a strategy that focuses on quickly testing and refining ideas to gain insights from mistakes rather than dedicating excessive time to perfecting them before launching new initiatives) sometimes required for commercial success. Commercial activities may also distract focus from core statutory services and operational oversight.

4.3 A key element within the draft Corporate Strategy is the risk mitigation element within the detailed framework, including a risk analysis framework and a focus on defining and understanding risks involved in proposed commercial decisions.

4.4 As the Strategy states, by embedding consistent, evidence based and value for money thinking across all services and by upholding strong governance, compliance and accountability, we will strengthen financial resilience and reduce risk.

4.5 Without appropriate expert commercial advice informing decisions the Council is exposed to a range of risks including unexpected costs, income streams proving to be less robust than anticipated with projects proving not to be viable as ongoing concerns, project creep and overruns, and reputational damage.

- 4.6 Regular and transparent reporting will ensure Members, senior officers and statutory officers have visibility of performance, compliance and emerging risks.
- 4.7 Without an appropriate commercial strategy there is a risk that business cases assumptions, financial models and revenue forecasts may lack sufficient depth or breadth and due diligence may be superficial.
- 4.8 Insufficient Governance in the form of poorly defined roles, lack of understanding of contractual requirements, lack of contractual performance and/or transparency could lead to the Council facing significant reputational damage from residents who see "their" money being lost on speculative projects. Insufficient corporate governance and a lack of appropriate commercial due diligence expose the Council to the risk of poor Value for Money.
- 4.4 Conflict of Interest: Councils may find themselves in a conflict between their role as a "local regulator" (e.g. planning) and their role as a "commercial developer".

5. Financial implications

- 5.1 A large part of achieving 2026-2029 Medium Term Financial Strategy (MTFS) financial forecasts depends on having in place a strategy that enforces focusing on achieving outcomes requiring the application of a commercial approach.
- 5.2 That is particularly important given the financially challenging context the authority is currently operating and transfer to the new authority of West Surrey, as part of LGR.
- 5.3 The 2026-29 MTFS includes c.£155m of capital receipts to be generated in 2026-27 with further £115m generated for the remainder of MTFS. Achieving such financial targets is heavily dependent on having in place the right strategy.

6. Legal comments

- 6.1 The Council must ensure that its commercial activities are compliant with all applicable legislation and regulations including (but not limited to) Best Value Duty, the Procurement Act 2023, subsidy control, Public Sector Equality Duty and the Prudential Code for capital finance in local authorities.
- 6.2 Legal Team will assist with all necessary legal documentation in support of commercial projects and schemes, and legal implications will be considered on a case-by-case basis.
- 6.3 Adoption of new policies falling outside the Policy Framework is within the remit of the Corporate Policy and Resources Committee (Part 3 section (b) of the Constitution).

Corporate implications

7. Commissioner Comments

- 7.1 The adoption of the commercial strategy is an integral part of the Council's improvement journey. The strategy sets out a framework that will ensure that commercial best practice is observed and that the corporate mindset embraces good commercial standards. It is recommended for adoption in full.

8. S151 Officer comments

- 8.1 Ensuring a consistent, robust approach to undertaking commercial activity and informing decisions and activity across all areas of the Council underpins effective assurance with respect to the delivery of value for money. The Section 151 Officer (who participated in the initial workshop) is supportive of the proposed Strategy.

9. Monitoring Officer comments

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

10. Procurement comments

There are no procurement implications arising directly from this report.

11. Equality and Diversity

- 11.1 Any commercial activity must consider protected groups to ensure there are no equality issues created by inadvertently disadvantaging these groups.

12. Sustainability/Climate Change Implications

- 12.1 Implementing commercial strategies within the public sector is often aimed at financial outcomes where income generation/cost savings may be prioritised over long-term environmental and social impacts. Hence when undertaking any form of commercial activity, understanding the sustainability policies and approach of external parties involved in the initiative, must remain a key component of determining third-party suitability.

13. Other considerations

- 13.1 There are none.

14. Timetable for implementation

- 14.1 Immediately if the recommendations are approved by Council.

15. Contact

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

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

Background Papers: Improvement and Recovery Plan

Appendices:

Appendix 1 – Commercial Strategy