

Commercial Strategy 2026 - 2028

**Spelthorne Borough
Council**

April 2026



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Spelthorne Borough Council

Commercial Strategy 2026 – 2028

1 Introduction & Purpose

- 1.1 A strong commercial strategy is essential for ensuring that Spelthorne Borough Council operates efficiently, sustainably, and in a way that delivers clear value for money across all services.
- 1.2 This includes embedding a commercial mindset across the organisation, not simply undertaking commercial activity. It requires a whole organisation, corporate approach, ensuring decisions consider impacts across all services and functions.
- 1.3 Strong risk management is a core component of our commercial approach, it strengthens governance, protects public money and ensures decisions are resilient, transparent and aligned to organisational priorities. We will systematically identify, assess and mitigate financial, operational and strategic risks across all commercial activity. This includes clear ownership of risks, consistent scoring, proportionate controls, and early escalation of emerging issues.
- 1.4 A coherent commercial approach helps ensure that every service and investment contributes meaningfully to our commitment to support residents, businesses, communities, protect key services, and achieve our ambitions. This aligns with our broader values of sustainability - environmental, social, and economic and the commitment to putting residents at the heart of decision-making while ensuring effective and successful service delivery.

- 1.5 In this context, embedding value for money principles across all areas of the organisation is not optional, it is fundamental to our ability to deliver on our priorities. The Corporate Plan sets out ambitious goals across community wellbeing, addressing housing need, resilience, the environment, and service improvement, and each of these relies on sound financial stewardship and the careful management of resources. Ensuring that decisions are made with commercial awareness strengthens our capacity to navigate financial challenges while still investing in the services and outcomes that matter most to residents. A clear commercial strategy provides the framework that enables this, ensuring that every pound spent makes a measurable contribution to the lives of our residents.
- 1.6 This Strategy therefore sets out how we will take a consistent, practical and people focused approach to commercial activity across the Council. It brings together our existing work into a single, accessible framework (Fig. 1, page 3) that lays out how we need to think, act and work commercially, both now, and as we prepare and operate through transition to the new authority.
- 1.7 Our approach is grounded in our statutory duties, our Corporate Plan priorities, and our commitment to social, environmental and financial sustainability. It supports an intent to deliver best value and strengthen governance, and ensures the organisation is positioned effectively for transfer to the new authority in 2027.
- 1.8 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.
- 1.9 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.
- 1.10 We will take a whole organisation approach to act efficiently and understand the full costs of delivery, manage contracts better, strengthen commercial culture, protect and grow core services, and support borough regeneration.

1.11 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. (Fig. 2). It underpins the creation of a modern council with aligned structures, systems, processes, and cultural practices.

1.12 This Strategy:

- Describes the context and financial environment in which the Council is operating.
- Sets out a clear and consistent vision for how commercial decision-making informs council activities that support our priorities and statutory responsibilities.
- Defines the core principles that will guide our commercial and procurement approach.
- Explains what these principles mean in practical terms for the way we will work across the organisation.
- Outlines the measures we will use to monitor progress, assurance, and overall success.

COMMERCIAL FRAMEWORK

CORPORATE PLAN & STATUTORY DUTIES
Strategic Priorities • Resident Outcomes

COMMERCIAL PRINCIPLES
Purpose • Outcomes • VFM • Consistency •
Capability • Social Value • Local Impact •
Innovation • Insight • Ethics

COMMERCIAL LIFECYCLE
Identify → Assess → Plan → Procure → Manage →
Review

GOVERNANCE & ASSURANCE
Roles • Thresholds • Risk Levels • Technology
Risk • Change Control • True Cost • Legal &
Financial Compliance

DECISION-MAKING TOOLS & TEMPLATES
Business Case • SWOT • Sensitivity Testing •
Market Insight • Options Appraisal • Social
Value Assessment

PROCUREMENT & CONTRACT MANAGEMENT
Compliant Routes • Evaluation • KPIs • Supplier
Monitoring • Contingencies • Spend Analysis •
Contract Reviews

MONITORING, REPORTING & PERFORMANCE
KPIs • Quarterly Reporting • Risk Monitoring •
Audit Trails • Portfolio Oversight

TRANSITION READINESS (BEYOND 2027)
Asset Schedules • Liabilities • Contract
Registers • Governance Continuity •
Documented Processes

Fig.1 – Commercial Framework

2 Scope

- 2.1 This Strategy applies to both statutory and non-statutory activities carried out by the Council, including income generation, procurement, contract management, management of commercial assets, and the systems, skills and behaviours that support good commercial practice.

3 Context

- 3.1 Like many councils, Spelthorne faces a challenging financial environment. National funding has reduced, while demand for services continues to rise. To maintain a balanced budget, we have relied heavily on income generated from our investment property portfolio. As we move towards transition to the new authority, it is crucial that the scale, risks and long-term sustainability of this reliance are clearly understood and well managed.
- 3.2 The Medium-Term Financial Strategy (MTFS), Improvement and Recovery Plan (IRP) and emerging Service Plans (2026/27) set out the actions required to manage pressures and ensure readiness for transition. This Strategy describes how a stronger commercial approach will support these aims.

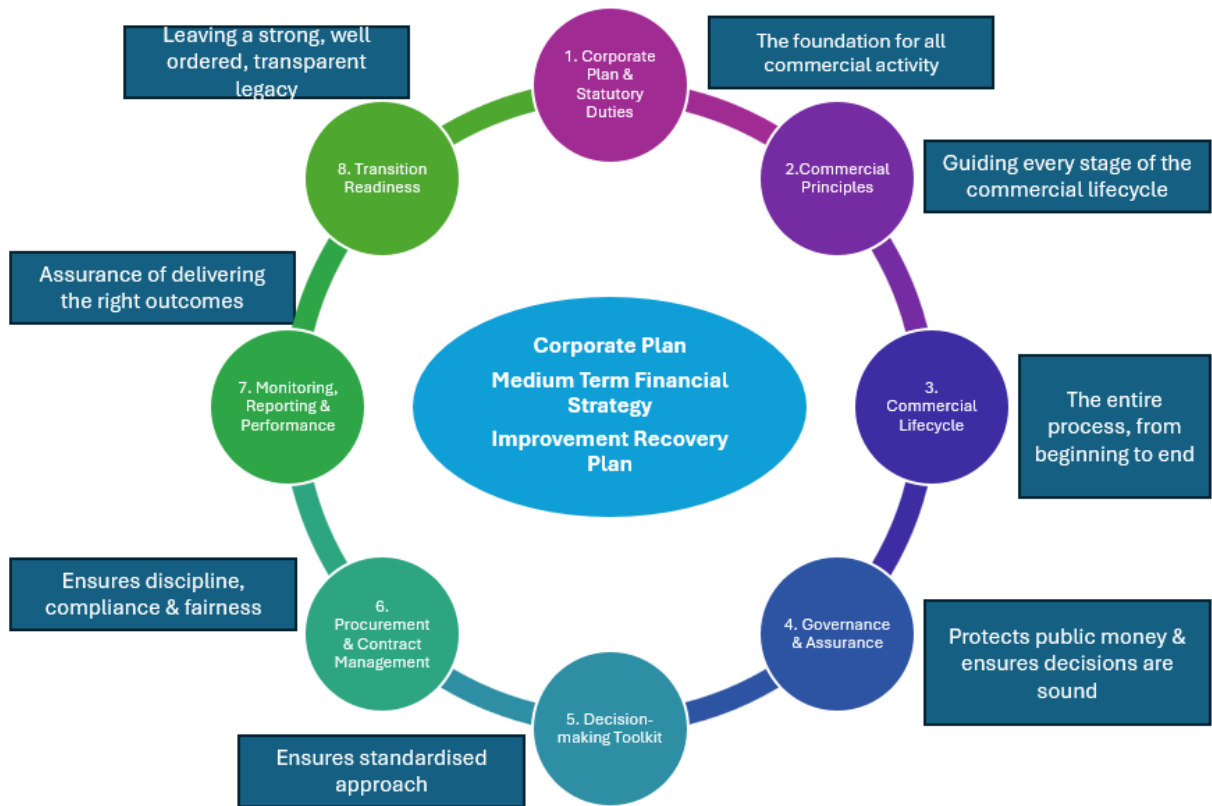


Fig. 2 – Commercial Strategy

4 What We Mean by Commercial

- 4.1 Being commercial for Spelthorne means balancing financial purpose with public value.
- 4.2 It is fundamentally a mindset, a disciplined, evidence-based way of thinking and working, rather than a set of standalone commercial ventures. It also includes having insight into innovation, understanding emerging opportunities, and recognising when the market already provides a solution.
- 4.3 It means balancing financial purpose with financial value. It is about being thoughtful and opportunity aware in how we use our resources and deliver services, while retaining our social value principles and ensuring that our citizens remain at the heart of everything we do.
- 4.4 It means taking a more informed approach to investment, in time, money and capacity, and making sure those investments provide clear value. To do this well, we must understand the full and true cost of the services we deliver. This includes lifecycle costs, overheads, and the wider organisational impact, ensuring decisions are not taken in isolation. This helps us make better choices, avoid hidden costs and unintended consequences of our actions and ensure that any new activity is viable, affordable and aligned to our priorities.
- 4.5 We must look for opportunities to do things differently, understand our customers and markets, and ensure our decisions are informed, compliant, fair and purposeful. This requires adhering strictly to the Council's procurement framework, ensuring that all purchasing activity is conducted through approved and compliant routes. It involves selecting suppliers through established processes rather than resorting to informal, convenience-based purchasing or repeatedly relying on familiar providers without proper market testing. By following these principles, the organisation upholds transparency, fairness, and value for money in all commercial decisions.

- 4.6 Crucially, being commercial is not only about generating ideas or spotting opportunities; it is about understanding the full picture, knowing the true cost of our services and taking a disciplined, business-like approach to turn ideas into action.

5 Our Commercial Vision

- 5.1 Our vision is to ensure that a commercially minded approach is applied consistently and corporately across all council activities, supported by clear purpose, outcomes and market insight.
- 5.2 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, reduce risk, and support the reliable delivery of quality services for residents as we prepare for transition to the new authority.

6 The Core Principles for our Commercial Strategy

- 6.1 These principles explain how we make decisions, spend money responsibly, and work with others. They show our commitment to fairness, value for money, and doing the right thing for people and the environment. They set the standard for how commercial and procurement activity will be approached and delivered. We will:

Purpose, Responsibility and Transparency
<ul style="list-style-type: none"> • Be clear about purpose and outcomes for every commercial decision.
<ul style="list-style-type: none"> • Act transparently, fairly and ethically in all commercial activity, complying with procurement rules and public sector standards.
<ul style="list-style-type: none"> • Be clear about roles, responsibilities and expectations, with strong contract ownership and governance.
<ul style="list-style-type: none"> • Plan for change and manage it well with senior level assurance and proportionate controls.
<ul style="list-style-type: none"> • Keep residents and communities at the centre of decision-making; commercial activity will not distract from statutory duties.
Consistency, Capability and Collaboration
<ul style="list-style-type: none"> • Apply a consistent approach across the organisation, reducing variation and siloed practice.
<ul style="list-style-type: none"> • Ensure we have the capacity and capability to deliver commercial activity effectively.
<ul style="list-style-type: none"> • Use the commercial lifecycle to guide all procurement and contract decisions.
<ul style="list-style-type: none"> • Work collaboratively with partners to co-create and shape ideas.
<ul style="list-style-type: none"> • Build positive supplier relationships that encourage quality and continuous improvement.
<ul style="list-style-type: none"> • Build a trusted brand that is easy for others to work with.
Value, Measurement and Learning
<ul style="list-style-type: none"> • Maximise social value and support the local economy wherever possible, including understanding the impact on local businesses.
<ul style="list-style-type: none"> • Use data, insight and digital tools to strengthen decision-making and performance monitoring.
<ul style="list-style-type: none"> • Ensure procurement and investment activity is supported by measurable actions and indicators.
<ul style="list-style-type: none"> • Promote a positive, learning culture where contributions are recognised and celebrated.
<ul style="list-style-type: none"> • Share learning openly and champion achievements.
Financial and Environmental Responsibility
<ul style="list-style-type: none"> • Focus on financial sustainability by increasing income and improving efficiency.
<ul style="list-style-type: none"> • Make environmentally responsible decisions aligned with climate commitments.
<ul style="list-style-type: none"> • Resource opportunities appropriately and assess them using a consistent, proportionate business case approach with true cost understanding.

7 Commercial Governance Framework

Overview

- 7.1 The commercial governance framework provides a disciplined and transparent structure for how the Council makes decisions involving procurement, contracts, assets and expenditure. Its purpose is to ensure that every commercial decision, regardless of scale, is taken in a consistent, well assured and financially responsible manner. The focus is not on pursuing speculative opportunities, but on safeguarding public resources by ensuring decisions remain affordable, compliant with regulations, and aligned with the Council's strategic and statutory responsibilities.
- 7.2 At the centre of this framework are clear standards for due diligence, financial assessment, risk analysis and legal compliance, supported by reliable systems and accurate data. Defined approval routes ensure proportionate scrutiny at each stage of the decision-making process, with senior officers and Members providing oversight and assurance. This approach ensures that commercial activity is well controlled, contract management is robust, and commercial risks are identified and managed appropriately.
- 7.3 Together, these arrangements strengthen the Council's financial stability, reduce the potential for unmanaged risk, and increase confidence in the way commercial commitments are made and monitored. The governance framework therefore reinforces value for money, regulatory compliance and organisational resilience, supporting both day-to-day operations and the Council's preparations for transition to the new unitary authority.

Detailed Framework

- 7.4 We will adopt a clear, consistent and proportionate governance framework (Fig.3) that ensures all commercial decisions, whether related to procurement, contracts, assets or expenditure, are taken in a disciplined, transparent and well assured manner. The focus of this framework is not on pursuing new commercial opportunities, but on strengthening decision quality, ensuring compliance, and protecting public money.
- 7.5 A standardised business case and assessment process will apply to all significant commercial decisions. This will set out mandatory requirements for:
- Due diligence
 - Financial assessment and full cost understanding
 - Risk analysis and mitigation planning
 - Legal, procurement and staffing implications
 - Documentation, audit evidence and reporting standards
- 7.6 Group Heads, Management Team and Service Committees will provide structured oversight, ensuring decisions are affordable, aligned with strategic priorities, compliant with regulations, and supported by proportionate controls. Defined approval routes and escalation pathways as laid out in procurement guidelines will ensure higher risk or higher value decisions receive appropriate scrutiny. (Appendix 3)
- 7.7 Instructing Officers will become the Contract Manager. It will be essential to undertake regular and transparent reporting to ensure Members, senior officers and statutory officers have visibility of performance, compliance and emerging risks. The overall purpose is to protect the organisation through disciplined stewardship, not risk taking and ensuring everyone is accountable, with decision-making at appropriate levels.



Fig 3. Commercial Governance & Decision-making Framework

8 Portfolio Approach (Assets & Investments)

- 8.1 We will manage all the Council's land and property assets responsibly: implementing a rationalisation plan to identify disposals, reducing liabilities, support debt reduction, and focus on assets that deliver sustainable value. Decisions will be informed by updated valuations, market intelligence and scenario modelling.
- 8.2 Performance will be monitored through consistent reporting of income and expenditure, lifecycle costs and risks. Under-performing assets will have structured exit strategies that consider financial, legal and service impacts.

9 Systems, Data, Procurement & Contract Management

- 9.1 Our ability to make sound commercial decisions depends on strong systems, accurate data and consistent processes. We will therefore prioritise the reliability, transparency and accessibility of the information that underpins spending, contract commitments, supplier performance and asset lifecycles.
- 9.2 Aligning all activities with Council Procurement and contract management requirements will ensure:
 - All procurement activity follows approved, compliant routes, complying with the Procurement Act 2023
 - Decisions are based on accurate data, market insight and fair evaluation
 - Off contract or convenience purchasing is actively prevented
 - Supplier performance is consistently monitored through KPIs, reviews and documented performance evidence

- 9.3 Up to date systems, including contract registers, property and asset databases, financial monitoring tools and dashboards, will provide assurance over spend, risk exposure and contractual obligations. These systems will support early intervention, timely decision-making and improved organisational control.
- 9.4 Ensuring all Council activity is aligned via a consistent approach, processes and reliable data will be critical for both day-to-day financial stewardship and for ensuring the organisation is fully prepared for transition to the new authority.
- 9.5 Utilising the standardised commercial toolkit, set out in Appendix 2, will ensure consistency and support officers in making informed and compliant decisions, including:
- Business case template
 - Strengths, Weaknesses, Opportunities and threats (SWOT) analysis template
 - Risk analysis template
 - Sensitivity testing guidance
 - Market insight checklist
 - Contract management checklist
 - Governance and sign-off flowchart (Appendix 4)

10 People, Culture & Commercial Behaviours

- 10.1 We will build a culture where commercial thinking and commercial behaviours are part of everyday work. These commercial behaviours set clear expectations for how every officer and manager approach spending, procurement, contract management and asset stewardship. Their purpose is to embed a consistent, disciplined way of working that prioritises value for money, compliance with approved processes, evidence-based decisions, and accountability for outcomes.
- 10.2 All officers are expected to apply these behaviours in day-to-day tasks and formal decisions alike, using reliable data, following the Council's procurement and governance requirements, collaborating constructively across services and with partners, and proactively managing risks and performance.
- 10.3 Together, these behaviours strengthen decision quality, protect public funds, and ensure that commercial activity supports our statutory duties, community outcomes, and long-term financial sustainability. Commercial behaviours will be considered as part of recruitment and performance management.
- 10.4 Part of embedding commercial behaviours means, ensuring instructing officers (contract managers) have the capacity and capability to deliver them. Where the instructing officer doesn't have the required skillset they should attend training, consider use of external expertise where applicable. Commercial behaviours include training, tools, and support to challenge contractors, understand markets, and apply the commercial lifecycle.
- 10.5 Accountability for contract monitoring and performance will be the responsibility of the contract manager and will be proportionate to level of role and responsibilities. Where commercial standards are not met, performance management processes, including disciplinary routes where appropriate, may be invoked.
- 10.6 Our expected commercial behaviours from everyone across the Council are:

Behaviour	Description
Value for Money Mindset	Actively seeks the best balance of cost, quality and social value in every decision, avoiding convenience choices and ensuring resources are used efficiently.
Evidence Based Decision Making	Uses reliable data, financial analysis and insight to inform decisions, ensuring choices are grounded in fact rather than assumption.
Compliance and Professional Discipline	Consistently follows procurement rules, governance standards and approved processes, maintaining strong audit trails and ethical practice.
Market and Supplier Awareness	Understands market conditions, supplier capability and cost drivers to ensure decisions are informed, realistic and commercially sound.
Customer and Community Focused Judgement	Considers the impact of decisions on residents, services and statutory duties, ensuring commercial choices support positive outcomes.
Collaborative Working	Shares information, works constructively across teams and partners, and supports consistent, joined up decision making.
Accountability and Ownership	Takes responsibility for the quality, compliance and delivery of commercial decisions, proactively managing risks and performance.
Constructive Challenge	Proactively identifies and challenges non-compliant, inefficient or non-commercial practices, promoting adherence to standards and improving overall decision quality.
Continuous Improvement Mindset	Actively looks for ways to improve processes, strengthen controls and learn from experience to enhance the Council's commercial maturity.

11 Delivery, Monitoring & Success Measures

11.1 Delivery of this strategy will be organised across workstreams covering governance, procurement, contract management, capability building, systems and transition readiness. The emphasis throughout will be on consistent application of standards, improved compliance, and strengthened financial discipline.

11.2 Progress will be monitored through:

- Monthly internal oversight of commercial decisions and controls by instructing officer, raising any issues with senior management
- Quarterly reporting on procurement activity, contract performance, risks and financial impact
- Routine contract reviews and portfolio level monitoring of assets
- KPIs that track compliance, value for money, risk management and decision quality will be included with the contract
- Monitoring must include regular spend analysis, sensitivity testing outcomes, and compliance with the commercial lifecycle.

11.3 The Commercial Business Case Guidance and Template Pack (Appendix 2) will set out the activities required to embed the new governance framework and decision-making standards across the organisation. Measures of success will focus on improved assurance, reduced unmanaged risk, clearer audit trails, more consistent procurement practice, and strengthened financial stewardship.

11.4 The Strategy will be reviewed annually to ensure it remains fit for purpose and that commercial activity continues to support stability, compliance and readiness for transfer to the new authority. Ongoing commercial responsibilities, systems and documentation will be organised in a way that supports a smooth transition and prevents the transfer of unmanaged liabilities.

12 Handover & Transition Readiness

- 12.1 A significant aspect of this strategy involves ensuring all commercial functions are transition ready. This requires the preparation of complete and accurate asset schedules, liabilities registers, and contract documentation, including key dates, performance indicators, financial commitments, and termination or break clause provisions. All commercial processes, governance arrangements, and ongoing negotiations will need to be clearly documented so that the new authority has a complete understanding of the obligations it will inherit.
- 12.2 The governance framework will extend beyond 2027 to ensure continuity until the new authority is fully ready to assume commercial responsibilities. This includes a clear handover model, documentation standards, and defined ownership of commercial risks.
- 12.3 Our overarching aim is to leave a clear, orderly, and well-governed commercial legacy that supports operational continuity and reduces the risk of any financial or legal surprises during transition.

Appendix. 1 – Our Commercial Framework and Checklist

<p>1. Our Strategic Anchor</p>	<p>Corporate Plan & Statutory Duties Everything we do commercially must support:</p> <ul style="list-style-type: none"> • Resident wellbeing • Financial resilience • Environmental responsibility • Strong communities • Safe, reliable services <p>This is the foundation for all commercial activity.</p>
<p>Key Consideration:</p>	<p><i>Does this suggestion align to the Corporate Plan, MTFS & IRP statutory duties?</i></p>
<p>2. Our Commercial Principles</p>	<p>These principles shape how we think and act:</p> <ul style="list-style-type: none"> • Purpose & Outcomes – every decision must have a clear benefit for residents or services. • Value for Money – we use resources wisely and avoid unnecessary cost. • Consistency – we apply the same high standards across the organisation. • Capacity & Capability – we ensure people have the skills, tools and support they need. • Social Value & Local Impact – we consider the wider benefits for our communities and local businesses. • Innovation & Insight – we look for better ways of working and understand our markets. • Transparency & Ethics – we follow the rules, act fairly and maintain public trust. <p>These principles guide every stage of the commercial lifecycle.</p>
<p>Key Consideration:</p>	<p><i>Have you referred to the Strategy and fully considered all the core principles to support this decision?</i></p>
<p>3. Our Commercial Lifecycle</p>	<p>A clear, structured approach ensures decisions are well informed and proportionate: Identify → Assess → Plan → Procure → Manage → Review</p> <p>This lifecycle is adopted for all commercial activity, from small purchases to major contracts, from identifying a requirement through to contract termination.</p>
<p>Key Consideration:</p>	<p><i>Do you understand how all the stages of the lifecycle approach for all commercial activity apply to your suggestion?</i></p>
<p>4. Our Governance & Assurance</p>	<p>Strong governance protects public money and ensures decisions are sound.</p>

	<p>We will have:</p> <ul style="list-style-type: none"> • Clear roles and responsibilities • Defined thresholds and risk levels using defined risk scoring methodology • Technology and data considerations • Change control processes • True cost understanding • Legal and financial compliance • Proportionate oversight from officers and Members <p>This ensures decisions are transparent, affordable and aligned to our priorities.</p>
Key Consideration:	<i>Have you referred to the guidance for each of the listed requirements to ensure compliance with our governance approach?</i>
5. Documentation and Reporting	<p>We will use a standardised toolkit to ensure commercial activity discipline and consistency across the organisation:</p> <ul style="list-style-type: none"> • A clear written record of the decision, rationale and approval route. • A complete audit trail of evidence, evaluations, market testing and financial data. • Use of standard templates and governance documentation. • Clear reporting to senior officers, Members and statutory officers. <p>Protects the Council by ensuring decisions can withstand internal and external scrutiny through transparency, auditability and accountability</p>
Key Consideration:	<i>Have you used the toolkit, guidance and templates to ensure all aspects required for decision-making are included in the business case?</i>
6. Our Procurement & Contract Management	<p>We will deliver commercial activity in a disciplined, compliant and fair way:</p> <ul style="list-style-type: none"> • Approved procurement routes only • Clear evaluation criteria • Strong supplier relationships • KPIs and performance monitoring • Contingencies for changes in scope • Regular Spend analysis • Documented contract management <p>This ensures we get the best value and quality for residents.</p>

Key Considerations:	<i>Have you followed our procurement policies to ensure compliance? Are outcome-based specifications clearly defined? Is supplier evaluation thorough?</i>
7. Our Monitoring & Performance	<p>We will track progress and hold ourselves to account through:</p> <ul style="list-style-type: none"> • KPIs • Quarterly reporting • Risk monitoring • Audit trails • Portfolio oversight <p>This gives assurance that commercial activity is delivering the right outcomes.</p>
Key Consideration:	<i>Have you considered all aspects of monitoring and performance to ensure robust tracking of outcomes?</i>
8. Our Transition Readiness, beyond 2027,	<p>We will ensure the new authority inherits a clear, well-governed commercial environment:</p> <ul style="list-style-type: none"> • Complete asset schedules • Liabilities registers • Contract registers • Governance continuity • Documented processes and decisions <p>Our aim is to leave a strong, orderly and transparent commercial legacy.</p>
Key Consideration:	<i>Are registers up to date and documentation standards upheld to ensure smooth transition to the new authority?</i>