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	**CH**	**08/04**
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**	
	Reviewed by	
Finance comments (circulate to Finance)	**AB**	**22/05/26**
Risk comments (circulate to Lee O'Neil)	**LO**	**15/05/26**
Legal comments (circulate to Legal team)	**LH**	**28/05/26**
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 rec'd**
Monitoring Officer commentary – at least **5 working days before MAT**	**L Heron**	**28/05/26**
S151 Officer commentary – at least **5 working days before MAT**	**T.Collier**	**16/5/26**
Commissioner engagement	**PR**	
	Delete as applicable:	11 June 26 Comments in S. 7
Confirm final report cleared by MAT		

Commercial Assets Sub Committee

10 August 2026

Title	*Investment Assets Business Plans*
Purpose of the report	To consider and comment
Report Author	*Sian Bowen – Principal Asset Manager*
Ward(s) Affected	All Wards
Exempt	Report – No Appendix 1 - Yes
Exemption Reason	Appendix 1 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 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: Consider and comment on the Business Plans for 2026/27 for the investment portfolio, namely Thames Tower, Porter Building, Charter Building, 12 Hammersmith Grove, World Business Centre 4, Elmsleigh Shopping Centre, Elmbrook House and Communications House, Summit Centre and BP main and SW corner.
Reason for Recommendation	The Business Plans are created to brief colleagues within Spelthorne Borough Council and Members in order to understand the priorities within the portfolio over the next 6 years and cashflow, both on a cash and accruals basis. This informs the Council's (and West Surrey's) budget and income/expenditure both on a short and medium term basis.

1. Executive summary of the report

What is the situation	Why we want to do something
• At the commencement of each financial year, the Council produces Business Plans for each investment asset. • The business planning process will be more dynamic going forward as certain properties are disposed of.	• The Business Plans for each asset provide an important monitoring tool to inform and demonstrate the performance of each asset and provide Finance Team with income projections for the next six years. • The Plans highlight to Finance Team colleagues within Spelthorne Borough Council the forthcoming income and expenditure over the next six years to enable an understanding of the income streams, challenges and risks in the short to medium term per asset. • Asset management plans will be updated based on disposals that will feed into the budget and MTFS process
This is what we want to do about it	**These are the next steps**
• The Business Plans are used to inform the Finance Team with regard to budgets and income over the short to medium term and these Plans will be amalgamated into the Asset Investment Strategy to be presented to Corporate Policy and Resources Committee (CPRC). • Each Business Plan will be presented highlighting the key initiatives for the next 12 months together with a 6 year cashflow on a cash and accruals basis.	• The cashflows will be used to inform the short to medium term financial planning/budget setting for the Council. • Each Business Plan will be summarised and presented as part of the Asset Investment Strategy to Corporate Policy and Resources Committee

2. Key issues

2.1 The Council's 5 year Asset Management Plan (AMP), sets out how the Council will proactively manage and report on the key aspects it's property investment portfolio. Undertaking an Annual Business Plan for each Asset, is set out within the AMP and contributes towards the Council's annual budget setting, Medium Term Financial Strategy as well as enabling Members to understand the financial income, challenges and opportunities that each asset presents over the forthcoming financial year and slightly longer 6 year period. The investment portfolio comprises Thames Tower, Porter Building, Charter Building, World Business Centre, 12 Hammersmith Grove, Elmsbrook House, Communications House, Elmsleigh Shopping Centre, Summit Centre and BP main and SW corner.

2.2 The Council is currently progressing an Asset Rationalisation programme which will result in the disposal of the investment portfolio via a staged disposal process following Statutory Invention from Central Government. The key priority is the reduction of debt prior to Local Government Reorganisation.

2.3 Cashflows have been run for the next 6 years for each asset to highlight the financial risks, income levels both on a cashflow and accrual basis to demonstrate the peaks and troughs in income per asset with the new Minimum Repayment Provisions (MRP) highlighted for each property within Appendix 1. The revised MRP provisions versus income projections further demonstrates the requirement for a disposal of the assets and their ongoing liability to the Council. Whilst the Asset Managers continually monitor a minimum of 18 months in advance the forthcoming lease renewals and break dates, undertaking a 6-year cashflow highlights the challenges on an asset-by-asset basis. This ensures effective asset management by undertaking early discussions and negotiations with Tenants to agree early lease renewals and minimise associated risk. This active asset management can also be value accretive for the asset rationalisation programme.

2.4 These cashflows also reflect any necessary rent-free periods that are contained within existing leases or predicted incentives required to secure lease extensions or new lettings together with any capital expenditure required for a new letting. Any void costs for vacant unlet space, for example service charge, rates or insurance are also contained within the cashflow.

2.5 The cashflows are run on a cash flow and an accruals basis.

2.6 A Dun and Bradstreet report on each tenant is run to compare covenant strength year on year to highlight any tenant risk profiles/income uncertainty.

2.7 The new loan repayments, following the debt restructuring have also been incorporated into cashflow.

2.8 A summary of all the Business Plans will be complied to be presented to Corporate Policy and Resources Committee (CPRC) as part of the Asset Investment Strategy for 2026/27.

3. Options appraisal and proposal

3.1 Option 1 – to consider and comment on the Business Plans for the investment portfolio. The numbers contained within the cashflows have been used for the budget setting for Spelthorne for 2026/7 and to inform the medium-term financial planning as the Council moves into West Surrey. It is therefore r**ecommended** that the plans are considered and commented on only.

3.2 Option 2 – propose amendments to the plans. This could impact upon agreed budgets for 2026/27 and medium-term financial strategy presented to West Surrey. **Not recommended.**

4. Risk implications

4.1 The Council is currently undertaking an Asset Rationalisation Plan. It is important to note that the income stream will terminate once a sale of an asset is completed. Whilst this Plan has now commenced, there will always be associated risks with the disposal of properties and where possible this risk has been mitigated by advanced preparation and due diligence.

4.2 Throughout the sale process, the Asset Managers will ensure that pro- active asset management of each asset is maintained as per the business plans and cashflows outlined in Appendix 1.

4.3 When undertaking a cashflow for the next 6 years, there will always be a degree of 'crystal ball gazing' and therefore risk with geopolitical world events, changing markets and other unforeseen events taking place that may have a material effect on an asset. The Business Plans therefore represent the Asset Managers best view as to cashflows and associated risks over this period as of March 2026.

5. Financial implications

5.1 The Asset Management Plan (AMP) is a critical document, as it informs both the Council's annual budget and its Medium-Term Financial Strategy.

5.2 It provides comprehensive financial information on each investment asset, together with an assessment of associated risks and opportunities.

5.3 The financial performance of the investment asset portfolio is reported within the monthly budget monitoring reports and forms an integral part of the Council's overall financial position.

5.4 The Council is currently subject statutory government intervention, with a key priority being the reduction of debt and its impact on service budgets. This is to be achieved through the disposal of assets to maximise capital receipts. Consequently, the proposed plan is likely to be subject to revision as progress is made in delivering the asset disposal programme.

6. Legal comments

6.1 There are no specific legal implications arising from this report, but it should be noted that the management of the Council's investment property portfolio must be undertaken in accordance with the Council's statutory powers and its Constitution, including the relevant Terms of Reference, Scheme of Delegation to Officers (Part 3 section (d)), and Contract Standing Orders (Part 4 section (e)).

6.2 All actions must comply with applicable legislation and statutory guidance, and legal advice should be sought on any specific transactions or complex matters arising from the implementation of the business plan.

6.3 Investment assets business plans referred to in this report feed into the budget approved by the Council in February 2026.

Corporate implications

7. Commissioners' comments

7.1 Commissioners' have reviewed the paper. The report highlights the need to implement the asset rationalisation plan to comply with the Statutory Direction and reduce the costs of minimum revenue provision and interest.

8. S151 Officer comments

8.1 The S151 Officer confirms that all financial implications have been taken into account. Clearly as the report highlights above the Asset Rationalisation will over time bring these income streams to an end but it is important in the meantime to effectively manage the assets in order to aid disposal values.

9. Monitoring Officer comments

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

10. Procurement comments

10.1 There are no procurement or contractual implications for this report.

11. Equality and Diversity

11.1 There are no Equality or Diversity implications for this report.

12. Sustainability/Climate Change Implications

12.1 Sustainability factors, including building condition and EPC ratings, are considered as part of the asset management strategy.

13. Other considerations

13.1 N/a.

14. Timetable for implementation

14.1 The Business Plans will be amalgamated into the Asset Investment Strategy which will be presented to CASC and CPRC in September 2026.

15. Contact

15.1 Sian Bowen – s.bowen@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 A – Business Plans