

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	
Relevant Group Head review	Yes	16/09
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	9/9/2026
	Reviewed by	
Finance comments (circulate to Finance)		
Risk comments (circulate to Lee O'Neil)	LO	11/09/26
Legal comments (circulate to legal@spelthorne.gov.uk)	JC	11/09/26
HR comments (if applicable)		

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	10/09/26
S151 Officer commentary – at least 5 working days before MAT	T. Collier	10/09/26
Commissioner engagement	LS	16/09/26
	Delete as applicable:	No issues (for review 21/9/26)
Confirm final report cleared by MAT		22/9/2026

Commercial Assets Sub-Committee

Monday 5th October 2026

Title	Annual Commercial Property Report for Financial Year 2025/26
Purpose of the report	To make a recommendation to Corporate Policy and Resources Committee
Report Author	Katherine McIlroy – Asset Manager
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	
Corporate Priority	Resilience
Recommendations	Sub-Committee is asked to: Recommend to Corporate Policy and Resources Committee to:- • approve the Annual Commercial Property Report for the year ending 31 March 2026 and; • to publish the Annual Commercial Property Report in Appendix A on the Council's website.
Reason for Recommendation	The Annual Commercial Property Report provides an overview of the performance of the investment portfolio assets as at the end of the financial year 31 March 2026. The report ensures that there is full transparency around the portfolio and its performance.

1. Executive summary of the report

What is the situation	Why we want to do something
• The Annual Commercial Property Report (attached as Appendix A) provides an overview of the performance of the investment properties as at the end of the financial year 2025/26.	• We recommend the report is approved by Members and made publicly available on the Council's website to ensure that there is full transparency around the portfolio and its performance.
This is what we want to do about it	These are the next steps

For the report to be recommended to Corporate Policy and Resources Committee.	To make any amendments required by this Committee. Recommend to Corporate Policy and Resources Committee that the report is approved for publication on 12th October.
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2. Key issues

- 2.1 The Annual Commercial Property Report (attached as Appendix A) is produced by the Asset Service. It includes an analysis of the investment property portfolio as at 31 March 2026 and highlights the key asset management initiatives delivered over the financial year 1st April 2025 to 31 March 2026.
- 2.2 The report is factual and looks back over the past financial year. The objective of the report is to inform Members of the annual valuation of the investment properties, the financial performance of the portfolio and the asset management activity undertaken by the Asset Service. The performance of the portfolio is set out in the context of the wider South East office and retail markets. During the financial year as a result of Statutory Directions issued by the Secretary of State for Housing, Communities and Local Government (MHCLG) in May 2025, the property strategy changed to a focus on debt reduction and asset rationalisation. It is important to note that the Directions supersede the Asset Management Strategy and Asset Management Plan 2024/25-2028/9 which had set the objectives and key performance indicators for the portfolio at the start of the financial year and which the Annual Commercial Property Report is intended to review.
- 2.3 Due to the current asset rationalisation programme the report (attached as Appendix A) has been carefully reviewed to ensure that it does not include confidential information which may unfairly prejudice the Council's ability to achieve best consideration from the sale of the investment properties nor release confidential information concerning the Council's tenants. The report attached as Appendix A is recommended to be published on the Council's website. It should be noted that the valuation of the portfolio in March 2026 should not be regarded as the disposal value of the portfolio.

3. Options appraisal and proposal

- 3.1 We consider the report to be an accurate and transparent review of the performance of the investment property assets during the financial year 2025/26.
- 3.2 **Option A** – There is no such requirement for the Council to produce such a report or to make it public. As such there is the option to do nothing and not report on performance.
- 3.3 **Option B** – Approve the report (subject to any required amendments) and publish the report on the Council's website. It is felt that due to the size, nature and intense scrutiny that surrounds the Council's investment portfolio that it is not a realistic option to withhold information. We recognise the need to be open and transparent in reporting about the portfolio and how it is

performing. The report provides an easy reference point for members of the public, press and the frequent FOI requests that we receive. It is also important in providing a summary of the investment portfolio for audit purposes, both internal and external.

Option B is the Council's recommended option.

4. Risk implications

- 4.1 There is significant risk of not achieving best value in the sale of the properties if information regarding values, rents and strategy is made publicly available. The Asset Service has considered the report attached as Appendix A and is satisfied that the contents do not pose a risk to the Council.
- 4.2 Risk management is embedded in the work that the property team undertake. The Council's approach to risk and how it is managed is included in the Asset Management Strategy 2023/24 - 2027/28 together with the risk register. The property team works with a number of external consultants in their field of expertise whether it be letting agents, valuers or building surveyors to ensure the best outcome for the Council. The Council also closely monitors the financial position of all our tenants and guarantors using the Dun and Bradstreet.

5. Financial implications

- 5.1 The report clearly sets out the valuation, income, expenditure and net financial position of the investment properties.

6. Legal comments

By publishing an overview of the performance of the investment property portfolio, the Council provides transparency and assurance that the portfolio is pro-actively managed to achieve cash flow security and effective debt management.

Corporate implications

7. Commissioners' comments

- 7.1 The report accurately captures the historic operational and financial performance of the Council's commercial property portfolio. The valuation data and overall financial performance of the portfolio is an appropriate reminder of the need to continue with the disposal strategy set out in the Improvement and Recovery Plan.

8. S151 Officer comments

- 8.1 The S151 Officer confirms that all financial implications have been taken into account. Whilst there are no direct implications arising from the report, the investment assets have a very significant financial impact on the short and

medium term financial position of the Council. It is therefore appropriate that there is transparency in review of the performance of the portfolio.

9. Monitoring Officer comments

- 9.1 This report supports transparency by providing an overview of the investment property portfolio performance for scrutiny by the elected members and the public.

10. Procurement comments

- 10.1 There are no procurement implications in this report.

11. Equality and Diversity

- 11.1 Not applicable

12. Sustainability/Climate Change Implications

Not applicable.

13. Other considerations

- 13.1 None considered.

14. Local Government Reorganisation Implications

- 14.1 The Statutory Directions from the Secretary of State concerning debt reduction and asset rationalisation implicitly consider Local Government Reorganisation in Surrey.

15. Timetable for implementation

- 15.1 The report will be presented to the Corporate Policy and Resources Committee on 12th October. Thereafter, if approved it will be uploaded to the Council's website.

16. Contact

- 16.1 Katherine McIlroy MRICS – Asset Manager (k.mcilroy@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 – Annual Commercial Property Report (Public)