

## STRATEGIC INVESTMENT BOARD DECISION RECORD

The following decisions were taken by the Strategic Investment Board on Monday, 17 February 2025 and will take effect on 25/02/2025 unless the call-in procedure has been triggered.

**CALL-IN DEADLINE: 24/02/2025.**

The following represents a summary of the decisions taken by the Board. It is intended to represent the formal record of the decisions taken and to facilitate the call-in process. The minutes will be published in due course to site alongside this decision sheet.

Members wishing to request a call-in on any of these matters, should contact the Regulatory Business Manager or relevant Committee Manager.

The Strategic Investment Board at its meeting on Monday, 17 February 2025 considered the following matters and resolved:

- **APOLOGIES FOR ABSENCE** (Item 1)  
Apologies were received from Councillor Tim Oliver.
- **MINUTES OF THE PREVIOUS MEETING** (Item 2)  
These were agreed as a correct record of the meeting.
- **DECLARATIONS OF INTEREST** (Item 3)  
There were none.
- **QUESTIONS AND PETITIONS** (Item 4)  
There were none.
- **RANGER HOUSE, GUILDFORD SALE & REFURBISHMENT** (Item 5)

### RESOLVED:

1. That the Strategic investment Board approves the sale of Ranger House to Surrey Property Group (previously known as Halsey Garton Property Investment Ltd (HGPI), in accordance with the red book valuation dated 29 January 2025 and delegated authority to be given to the s.151 Officer to agree that amount.
2. That the Strategic investment Board approves the provision of a loan by the Council to Surrey Property Group (SPG), secured against the Ranger House property, to partly fund SPG's purchase and redevelopment of the property. Delegated authority to be given to the s.151 Officer to agree the loan details.
3. That the Strategic investment Board approves gives the SPG Board delegated authority to proceed with required refurbishment works to provide suitable accommodation to lease out to third parties for the purposes of maximising income for revenue generation purposes and maximising capital value of the asset once it is fully let.

4. That the Strategic investment Board notes that all of the above are subject to separate agreement by SPG Board in accordance with its own governance.

**Reasons for Decisions:**

- There are currently 2 tenants of Ranger House, the largest of which has a tenant option to break in November 2025 (which it would need to serve by May 2025). It currently leases and occupies 20,842 sq. ft Net Internal Area (NIA).
- The Council is currently incurring void service charges, business rates and insurance costs at Ranger House.
- Informed by advice from MAC Consulting (M&E advisors) and Oktra (design and build office fit out specialists), the professional team (Colliers and Owen Isherwood) has carried out initial surveys and occupational research to inform a Business Plan. This has focused on making necessary building improvements at minimal non-recoverable landlord capital expenditure to achieve maximum rental income.
- Transferring the asset from SCC to SPG moves the short-term risk of year-to-year-net income fluctuations on the property from the Council to its wholly owned property investment subsidiary company. The subsidiary can then plan for dividends and interest payments in consideration of those forecast movements and its overall portfolio profitability, smoothing out a degree of year-to-year volatility of net income to the Council. The longer-term capital asset value risk of prolonged voids is unchanged by holding the asset in the subsidiary as fluctuations would still impact net income (albeit via loan or dividend payments) and still impact asset value (via potential credit loss adjustment).
- A positive NPV is forecast to be generated, including the capital receipt to the Council and future benefits to SPG that would flow to the Council over time. The Council's Central Income and Expenditure budget would also benefit.

*(The decisions on this item can be called-in by the Resources and Performance Select Committee)*

- **RANGER HOUSE, GUILDFORD SALE & REFURBISHMENT** (Item 7)

**RESOLVED:**

1. That Cabinet approves the sale of Ranger House to Surrey Property Group (previously known as Halsey Garton Property Investment Ltd (HGPI), for a purchase price of [Exempt Minute E-05-25] in accordance with the red book valuation dated 29 January 2025 and delegated authority to be given to the s.151 Officer to agree that amount.
2. That Cabinet approves the provision of a loan of [Exempt Minute E-05-25] by the Council to Surrey Property Group (SPG), secured against the Ranger House property, to partly fund SPG's purchase and redevelopment of the property. Delegated authority to be given to the

s.151 Officer to agree the loan details.

3. That Cabinet gives the SPG Board delegated authority to proceed with required refurbishment works at an estimated cost of [Exempt Minute E-05-25], to provide suitable accommodation to lease out to third parties for the purposes of maximising income for revenue generation purposes and maximising capital value of the asset once it is fully let.
4. That Cabinet notes that all of the above are subject to separate agreement by SPG Board in accordance with its own governance.

**Reasons for Decisions:**

Exempt Minute E-05-25.

*(The decisions on this item can be called-in by the Resources and Performance Select Committee)*

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