

Slough Borough Council

Report To:	Cabinet
Date:	17 th November 2025
Subject:	Update Report on Disposal of Land at Norway Drive – SUR Wexham
Lead Member:	Cllr Wal Chahal – Deputy Leader and Cabinet Member for Assets and Transformation
Chief Officer:	Pat Hayes – Executive Director (Regeneration, Housing and Environment)
Contact Officer:	Peter Hopkins – Director – Property and Assets
Ward:	Wexham Court
Key Decision:	YES
Exempt:	NO – Public with exempt appendices under paragraph 3 of Schedule 12A Local Government Act 1972 – Information relating to the financial or business affairs of the Council
Decision Subject To Call In:	YES
Appendices:	Confidential Appendix 1 – Commercial & Financial Summary Confidential Appendix 2 – Valuation Report Confidential Appendix 3 – Sale Heads of Terms

1. Summary and Recommendations

- 1.1 This report sets out updated recommendations associated with the disposal of the Council's land at Norway Drive, Slough SL2 5QP.
- 1.2 The proposed sale has been subject to a due diligence process and reflects best consideration reasonably obtainable for the disposal of assets in accordance with section 123 of the Local Government Act 1972, and as verified by an independent valuation report prepared by Haslams professional surveyors at Appendix 2.

Recommendations:

- 1.3 Cabinet is recommended to:
 - (a) Approve the disposal of the asset known as land at Norway Drive, Slough in accordance with the Sales Heads of Terms at Appendix 3.

(b) Delegate authority to the Executive Director of Regeneration, Housing & Environment, in consultation with the Lead Member for Financial Oversight and Council Assets and the Executive Director for Corporate Resources - S151 Officer to approve and/or negotiate any terms or associated documentation in connection with the disposal consistent with, and agree any non-material amendments to, the disposal report and Heads of Terms appended in Confidential Appendix 3 and an updated formal site development plan once the Sale Contract is substantially agreed.

Reason:

- 1.4 The disposal of the Council's land at Norway Drive is in accordance with the SUR Disposals Strategy as per the Partnership Business Plan agreed by the Cabinet on 16th December 2024. Agreement to the recommendations in this report will contribute to reduction in the Council's future financial commitments, generate a disposal receipt at the earliest opportunity and reduce Council borrowing requirements. The proposed land sale has been subject to due diligence and reflects best value and consideration reasonably obtainable for disposal of assets in accordance with section 123 of the Local Government Act 1972.
- 1.5 The disposal supports the corporate priority for "a Council that lives within its means, balances the budget and delivers best value for taxpayers and service users."
- 1.6 Disposal of the land will enable the Council to simplify and reduce its land portfolio holdings and corporate arrangements; including progress towards winding up SUR to enable the Council to focus on core activities and services.

Commissioner Review

"The disposal of the SUR opted sites aligns with the partnership objectives and the Council's asset disposal strategy. Disposals should be on commercial terms, subject to legal and financial due diligence and demonstrably evidence that the potential disposal is for best consideration reasonably obtainable and reduces the Council's exposure to risks. The approach adopted and alternative offer proposed, delivers against the above objectives and commissioners are content for this report to be considered."

2. Report

Background

- 2.1 Further to Cabinet approving the disposal of the site in June 2025 matters did not, unfortunately, progress owing to a price reduction put forward by the buyer. The June 2025 Cabinet Report provides greater detail with regards the sale site itself and arrangements with Slough Urban Renewal (SUR).
- 2.2 Haslams were asked to approach under bidders to seek to obtain further offers and the party identified in the Heads of Terms in Confidential Appendix 3 put forward the most commercially viable offer.
- 2.3 SUR board members having reviewed the offer have agreed to proceed with the offer and this is recommended to Cabinet.

Options Considered

- 2.4 As set out in the Cabinet Report of the 16th June 2025.

3. Implications of the Recommendation

3.1 Financial implications

- 3.1.1 Cabinet is asked to approve disposal of the Norway Drive site, which had been previously transferred into the SUR joint venture special purpose vehicle for its development. Subsequently the Council determined not to continue with development through SUR and dispose of surplus sites.
- 3.1.2 Disposal of the site will generate a capital receipt, in excess of the red book valuation and in excess of the value in the balance sheet, which will be utilised to mitigate the financial impact of prior year Capitalisation Directions. It is also in excess of SUR business plan assumptions. The Council has also completed an Asset Appraisal and Disposal Framework Calculation for overall impact on MRP and Capitalisation Direction. The de-minimus figure is significantly lower than the expected capital receipt, resulting in a benefit to the Council following disposal.
- 3.1.3 The share of the receipt retained by the Council is calculated through a cash waterfall agreement, as set out in (confidential) Part 2 to this report, which ensures costs incurred by both parties to the joint venture are recouped prior to share of the disposal. The net receipt will be applied to finance prior years' Capitalisation Directions and redemption any outstanding balances relating to historic SUR loans.
- 3.1.4 VAT is payable on the purchase price and any SDLT will be payable by the purchaser.

3.2 Legal implications

- 3.2.1 Pursuant to section 123 of the Local Government Act 1972 ("Section 123 LGA 1972"), the Council has the power to dispose of land in any manner it wishes, subject to certain provisions. The Council has a statutory duty to obtain the best price reasonably obtainable, subject to certain exemptions. Section 123(2) permits a disposal at less than the best price reasonably obtainable with the consent of the Secretary of State.
- 3.2.2 When considering the duty under section 123 LGA 1972, what is reasonable in any particular case depends entirely on the facts of the transaction.
- 3.2.3 Case law has determined that whilst there is no absolute requirement to market the land or obtain an independent valuation, if valuation evidence is obtained, it should be up to date and that there should not have been any material and significant changes in circumstances since it was obtained.
- 3.2.4 In addition, obtaining proper professional advice throughout the process on how to maximise its receipts is a material consideration and the Council should limit itself to taking account of those elements of a transaction which are of commercial or monetary value and should disregard irrelevant factors such as "job creation" when assessing whether it is obtaining the best consideration reasonably obtainable. The deliverability or credibility of a bid are commercial factors which are relevant to an assessment.

- 3.2.5 Marketing and commercial advice has been obtained from Haslams, who with Devonshires have advised SUR on the negotiations with the proposed purchaser to agree commercial terms. Bevan Brittan have advised the Council on disposal matters pertaining to the Council as landowner and member of SUR.
- 3.2.6 Following the open market exercise reported by Haslams in the confidential Appendix 2 (Updated September 2025), the agreed offer price exceeds guide price and the fixed land price and is in line with the latest Wilkes Head Eve (the Council's appointed valuers) accounting valuation (Net Book Value). Haslams have confirmed the sale price represents best consideration reasonably obtainable in the current market, and the Red Book valuation further supports this.
- 3.2.7 In addition to meeting its best consideration duty, the Council must comply with its best value duty. This requires consideration as to the income generated from the asset compared to the capital receipt to be achieved upon sale.
- 3.2.8 SUR was procured in 2012 under a compliant public procurement procedure. SUR is governed by (amongst other documents) the SUR Partnership Agreement. The Council (as JV Partner) has to date complied with the relevant legal and governance requirements under the JV arrangements, to enable the disposal of the Wexham site to take place. By making the resolutions referred to in paragraph 1.3 (Recommendations) the Council will take the final steps in this regard.

3.3 Risk management implications

3.3.1 The recommendation required from Cabinet, as outlined in this report, is intended to improve the Council's financial position, by realising capital receipts which can be used to repay Council borrowing from the existing high level and reduce debt servicing charges in the form of interest and minimum revenue provision (MRP). If the recommendations are not approved this will delay the Council being able to return to a financially sustainable position – specific risks are summarised below:

Risk	Summary	Mitigations
Financial	<p>a) Delay in realising capital receipts from the assets will delay the Council's financial recovery.</p> <p>b) Market bid levels</p>	<p>Cabinet to approve officers to proceed with the sale.</p> <p>Fully competitive marketing and bid management by Haslams have helped ensure maximum bid levels.</p>
Governance	Failure to obtain best consideration from the disposals could expose the Council to risk of legal challenge.	<p>SUR has employed external property advisors to manage and competitively market the properties, having access to wider markets; than officers locally; and has maintained a regular review of the market throughout the process.</p> <p>A Red Book valuation from Haslams provides market information and confirms receipt of best price. The MRICS registered valuer has provided an independent report, including confirmation of the valuer's separate role from that of the team at Haslams who marketed the site.</p>

Legal	<p>Failure to ensure legal title/deeds etc., which could delay or halt sale.</p> <p>Delay to contract negotiations.</p> <p>Failure to establish that the buyer is a reputable business and that the buyer's funds are from acceptable sources.</p>	<p>Precedent legal documents from previous On-Sale site disposals have been used to facilitate a quicker contract management process</p> <p>Regular meetings between all parties – Council officers/SUR/Legal Advisers.</p> <p>Due diligence on buyer to assess their business, acquisition track record, funding, including anti-money laundering checks and ability to transact.</p>
Governance	<p>Failure to establish robust governance arrangements could expose the Council to risk of impropriety and legal challenge.</p>	<p>The Council has established sound governance arrangements for SUR, including regular Corporate Oversight Board meetings and a professional SUR client team.</p> <p>SUR has adopted a Disposal Strategy for other recent sales, applying the same arrangements for this sale.</p>
Reputational	<p>Unable to agree a way forward causing delay to asset disposals and failure to deliver capital receipts within the timescales set out in the Debt Reduction/Asset Disposal Strategy.</p>	<p>Governance, project/programme management and decision making operate effectively to deliver asset disposals on time and best consideration for the Council.</p> <p>Timely decision making, to support sales to third parties that align with market expectations.</p>

3.4 Environmental implications

3.4.1 No environmental implications have been identified as a direct result of this report.

3.5 Equality implications

3.5.1 This asset is not used for operational or service delivery purposes. There are no identified equality implications with the disposal of this site.

3.6 Procurement implications

3.6.1 There are no procurement implications arising as a result of this report.

3.7 Workforce implications

3.7.1 No workforce implications have been identified as a direct result of this report.

3.8 Property implications

- 3.8.1 This report will directly impact on the Council's land and property holdings as set out in this report.

4. **Background Papers**

16th June 2025 Cabinet Paper and Confidential Appendices.

<https://democracy.slough.gov.uk/documents/s84800/Report.pdf>