

Slough Borough Council

Report To:	Cabinet Committee
Date:	15 th January 2026
Subject:	Asset Disposal Programme – Former Bus Station, Brunel Way – Surplus Site
Lead Member:	Councillor Chahal, Deputy Leader of the Council – Assets and Transformation
Chief Officer:	Pat Hayes - Executive Director (Regeneration, Housing and Environment)
Contact Officer:	Peter Hopkins – Director Property and Assets
Ward(s):	Slough Central
Key Decision:	YES
Exempt:	NO
Decision Subject To Call In:	YES
Appendices:	Appendix A – Site Plan Appendix B - Asset Appraisal & Disposal Framework Calculations

1. Summary and Recommendations

- 1.1 This report seeks approval to declare the Former Bus Station, Brunel Way, as shown on the Site Plan annexed as Appendix A, surplus to requirements to allow it to be marketed for sale, with a disposal anticipated within the next financial year 2026/2027. Further to site due diligence and Asset Appraisal Disposal Framework assessment, other Council directorates have been consulted with to confirm that they do not have a viable use for this asset prior to any disposal process commencing.
- 1.2 A final decision to dispose of this General Fund (GF) asset will be brought back to Cabinet due to having an expected sale value in excess of £1m or more subject to this asset meeting the test for best consideration reasonably obtainable.

Recommendations:

- 1.3 Cabinet Committee is recommended to:
 - a) Agree to declare surplus and provide authority for the site known as the former Bus Station, Brunel Way, to be marketed for disposal.
 - b) To note that a disposal of this asset at more than £1m, a report setting out the terms of the proposed disposal will come to Cabinet for approval.

Reason

- 1.4 Following a substantial fire in October 2022, which left the site in an unusable condition and the onsite structure in an unstable and dangerous condition, all insurance and legal matters have now been resolved. The Council is currently paying holding costs of £19k per month.
- 1.5 Declaring the former Bus Station, Brunel Way as surplus will enable disposal of assets which no longer fulfil the purpose they were originally built for.
- 1.6 Recommendations in this report will go towards contributing to the reduction in the Council's future financial commitments, generate a disposal receipt at the earliest opportunity and reduce the Council's borrowing and minimum revenue provision (MRP). The proposed asset sale will be subject to due diligence process and best consideration will be achieved in accordance with section 123 of the Local Government Act 1972.

Commissioner Review

“The asset disposal programme is of significant importance to the Council’s financial recovery, and an integral part of the approved financial strategy and ‘minded to’ Capitalisation Direction. By formally declaring a property surplus to requirements, the Council confirms that the property is no longer required for the delivery of council services, and that no other directorates of the Council have a need for the property or land.”

Disposal of land and property can be undertaken in a number of ways, and it is for the Council to determine the most appropriate sales mechanism for this asset, which supported by an independent valuation can demonstrate that offers received are in line with or better than the estimated best value, and comply with its best value duty. The Council should ensure that the approved governance processes for the consideration of disposals of any Council owned assets is adhered to.

The Commissioners are content with this report being considered.”

2. Report

Introduction

- 2.1 The former Bus Station site was opened in 2011, as part of the £450m Heart of Slough regeneration project. Following resolution of the legal and insurance matters on this site that have been going on since 2022, the Council needs to consider the future use of this site.

3 Options considered

- 3.1 Option A – To declare the site as surplus to enable disposal. This option would provide the Council with a capital receipt to go towards the Capital Directive.

Recommended

- 3.2 Option B – The Council rebuilds the Bus Station. In order to do this the Council would need to borrow circa £14.258m of Capital as well as ongoing Revenue holding costs of circa £0.019m per month. **Not recommended**

Background

- 3.3 The Former Bus Station was opened in May 2011, as part of the £450m Heart of Slough Regeneration programme.
- 3.4 The site housed hard standing areas for buses to park overnight, as well as a 70m Aluminium structure that included a shop and an area for people to wait.
- 3.5 As a result of a fire in October 2022, which caused significant structural damage to the aluminium structure, the site was closed and as part of the Councils Insurance obligations 24/7 security was put on site to ensure the site remained secure.
- 3.6 In September 2025 the insurance matter was resolved, with the Council receiving a settlement payment, this followed extensive regular legal engagement from both parties over the previous 3 years to validate the Insurance payment. The net figure is significantly lower when taking in to account further settlement costs, legal fees and associated costs
- 3.7 Following guidance by the Councils retained Cost Consultants Gardiner and Theobald, who were the original Quantity Surveyors, in May 2024, the updated costing to reinstate the former bus station would be circa £14.258m with the cost breakdown as follows:
- Build Costs - £11.324m
 - Professional Fees (12%) - £1.349m
 - Risk (5%) - £0.566m
 - Construction cost inflation (9%)- £1.019m
- 3.8 In addition to the Capital Costs, the Council would need to continue 24/7 security on site, as well as paying business rates. Currently this is costing £0.019m per month (£0.228m per annum) comprised of security costs at £0.012m and £0.007m for business rates per month, which is set to rise by 3% per annum plus utilities charges.
- 3.9 Holding costs – Business Rates of £79k per annum, which is set to rise by 3% per annum plus utilities charges.
- 3.10 The Bus Operators continue to store and refill buses from their current location which are both in and around Slough. The Council has assigned a piece of land off Stanley Cottages, Slough, to a Bus Operator, for overnight parking and maintenance of their fleet.
- 3.11 **Next Steps**
- 3.12 Following an approval from Cabinet to declare the site surplus, officers will work with the Local Planning Authority to develop a market facing Planning Brief to maximise the potential capital receipt but to be clear any and all viable unconditional and Subject to Planning offers will be considered to achieve Best Consideration that clearly demonstrates the best overall return to the council.
- 3.13 Alongside the above Officers will be engaging with colleagues from the Department of Transport to consider the viability and deliverability of a mixed use residential led development that could contain a new bus interchange/infrastructure located on the ground floor that is developed to enable the promotion and continuation of Sloughs decarbonisation agenda by enabling the electrification of the bus fleet by operators.

- 3.14 As part of due diligence and the wider marketing process, officers will continue to assess opportunities to meet future SBC's strategic transport needs, either on this site as part of any redevelopment or elsewhere within the central area of the Borough to provide the necessary infrastructure that supports increase in bus use, fleet decarbonisation via electrification, and reduced car journeys which will contribute to the Council three priorities:
- A borough for children and young people to thrive
 - A town where residents can live healthier, safer and more independent lives
 - A cleaner, healthier and more prosperous Slough
- 3.15 A detailed study has been commissioned to look at the options for re-providing new bus interchange facilities which align with the redevelopment of the high street, former TVU site and other surrounding sites and correct the problems with the current bus station in terms of passenger and bus operator experience. The council is committed to re-providing a new high quality bus interchange which supports the regeneration of the town centre.
- 3.16 This approach will be tested via a transparent marketing programme led by the Council's retained agents Avison Young via informal tender basis.

4 Implications of the Recommendation

4.1 Financial implications

- 4.1.1 Cabinet Committee is asked to approve the declaration of the former Bus Station site surplus to requirements for the financial and operational reasons set out in paragraphs 3.7 to 3.11 of the report. The asset is not currently generating any income and would require significant development costs to bring back to use. In the context of the Council's current financial position, it is vital that revenue resources are focussed on priority services, and assets that are not being used for priority services or generating net income to the Council are disposed of.
- 4.1.2 It is also important to note net receipts generated from General Fund asset disposals are necessary to help finance the Exceptional Financial Support and mitigate increased debt costs arising from the Capitalisation Directions. Cabinet agreed high-level principles to establish an asset management strategy in November 2024, following a review of what assets could be disposed of in the short and medium term, taking account of both operational and financial assessments. The former bus station site was included in those disposal assumptions, supporting the 2025/26 Treasury Management Strategy and Medium-Term Financial Plan 2025 to 2029.
- 4.1.3 If the Council cannot achieve the required disposals, it will need to borrow more to finance the Capitalisation Directions, increasing external borrowing and debt charges in future years, and putting further unbudgeted pressure on the future years' revenue budgets. That said it is equally important the asset is subjected to a full financial appraisal prior to any final decision to dispose, which aligns to the officer recommendations.
- 4.1.4 It should also be noted that the site currently has £0.780m outstanding capital financing requirement (CFR) against it. As the first call on capital receipts is to reduce the borrowing associated with the capital direction, the Bus Station CFR will be reduced through continuing Minimum Revenue Payments over the next 22 years.

4.1.5 Furthermore the anticipated capital receipt is also in excess of the value generated by the Council's Asset Appraisal and Disposal Framework (AADF) model as per Appendix B and exceeds the NBV and Red book valuation.

5 Legal Implications

5.1.1 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.

5.1.2 When considering the duty under section 123 LGA 1972, what is reasonable in any particular case depends entirely on the facts of the transaction.

5.1.3 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.

5.1.4 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.

5.1.5 The Council has employed Avison Young as specialist property advisors to advise on an asset disposal strategy and to market and dispose of the asset identified for disposal.

5.1.6 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 each asset compared to the capital receipt to be achieved upon sale. The financial implications contain an assessment of these two options.

5.1.7 A report on title will be commissioned in relation to this asset to ascertain whether there are any impediments to the disposal of it.

6 Risk management implications

6.1 The table below sets out the key risks:

Risk	Summary	Mitigations
Financial	Delay in realising capital receipts from asset disposals will delay the Council's financial recovery.	Cabinet Committee to approve declaring asset as surplus to enable officers to proceed with the disposal of this asset.
Governance	Failure to obtain best consideration from a	The Council has employed external property advisors

	disposal could expose the Council to risk of legal challenge.	to manage and competitively market the assets, having access to wider markets than officers locally and obtained up to date property comparables to assist with their advice.
Legal	Failure to ensure legal due diligence is undertaken could delay or halt any disposal.	Complete all legal due diligence and instructing on the preparation of a report on title ahead of marketing property in conjunction with legal and property advisors. Regular meetings between officers and legal team to discuss issues and progress.
Governance	Failure to establish robust governance arrangements could expose the Council to risk of impropriety and legal challenge.	The Council has established sound governance arrangements for asset disposals to ensure that the Council achieves best consideration from asset disposals.
Reputational	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.	Governance, project/programme management and decision making operate effectively to deliver asset disposals on time and best consideration for the Council.

6.2 *Environmental implications*

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

6.3 *Equality implications*

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

6.4 *Procurement implications*

6.4.1 There are no procurement implications.

6.5 *Workforce implications*

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

6.6 *Property implications*

6.6.1 This report will directly impact on the Council's property holdings; however, this will be a positive impact in reducing property holdings to enable the Council to streamline its portfolio to focus on assets required for the operational and service delivery.

Background Papers

None.