Slough Borough Council

Report To:	Cabinet
Date:	22nd June 2026
Subject:	Asset Disposal Programme – Surplus General Fund (GF) Assets
Lead Member:	Councillor Ejaz Ahmed, Deputy Leader of the Council – Corporate Resources
Chief Officer:	Ian O'Donnell – Chief Operating Officer
Contact Officer:	Peter Walsh – Director of Property (Acting)
Ward(s):	All
Key Decision:	YES
Exempt:	NO, except for Appendices B and C which contain exempt information under Paragraph 3 of Schedule 12A, Local Government Act 1972 – information about the business and financial affairs of the Council
Decision Subject To Call In:	YES
Appendices:	Appendix A – List of GF assets to declare as 'surplus' Appendix B – Assets with Rationale for Disposal (Exempt) Appendix C – Portfolio overview and property information (Exempt)

1. Summary and Recommendations

1.1 This report seeks approval to declare those General Fund (GF) assets identified in Appendix A as surplus to requirements to allow them to be marketed for sale . Decisions to dispose of assets will be brought back to Cabinet for those GF assets at a value of £1million or more and are delegated to the Chief Operating Officer for assets to be disposed of with a value of under £1 million, subject to these assets meeting the test for best consideration reasonably obtainable. Non-key decisions (where the capital receipt is less than £1million and the disposal is not significant in its impact on more than one ward). Before making a decision, the Chief Operating Officer should consult the relevant lead member to determine whether to exercise officer delegation or refer the decision to Cabinet or the Cabinet Committee for a decision.

Recommendations:

1.2 Cabinet is recommended to:

a) Agree to declare surplus, and revalidate as surplus, all those GF assets listed in Appendix A.

b) Provide authority for all those assets listed in Appendix A to be marketed for disposal subject to property, legal and financial due diligence being completed, following being declared as surplus.

c) Delegate authority to the Chief Operating Officer, in consultation with the Lead Member for Corporate Resources, to negotiate the terms of the transaction and enter into a contract and any associated documentation in connection with any disposal and proceed to exchange/completion.

d) To note that for assets to be disposed of over £1million, a report will come to Cabinet to approve the disposal.

Reason

1.3 There are a mixture of assets currently held within the General Fund (GF) that are no longer required to fulfil the purpose that they were originally acquired/developed for. It is likely that greater benefit to the GF can be derived by selling them, than continuing to hold them, as this will reduce the financial burden for on-going maintenance costs. The disposal receipt from the sale will enable the council to reduce the level of borrowing required under its Exceptional Financial Support (EFS) agreement. Selling them could enable the Council to consider opportunities for development / regeneration in the Borough. Declaring the assets, and re-validating the assets, within Appendix A as surplus will enable disposal of assets which no longer fulfil the purpose for which they were originally acquired/developed. Recommendations in this report will go towards generating a disposal receipt at the earliest opportunity as well as reducing the level of borrowing required under its EFS agreement. Any 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 Council is carrying out ongoing and periodic reviews of its property asset holdings as part of asset planning, good estate management and its asset disposal programme. The decisions to declare the asset surplus to requirement is distinct from the decision to dispose of the asset and both should be given appropriate consideration.

Various assets have been identified that are either surplus to requirements or uneconomical to maintain. 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 it has been established that no other directorates of the Council have a need for the property or land.

The Council's Exceptional Financial Support (EFS) agreement with the Ministry of Housing Communities and Local Government (MHCLG), requires the Council to make use of existing or future capital receipts to fund EFS, minimise the amount of borrowing

under the agreement and ensure value for money is achieved. Where possible the disposal of community heritage assets should be avoided to protect the public ownership of locally significant sites and ensure residents can continue to benefit from them. The report should clearly identify any assets declared surplus in this report, that meet the description of community heritage asset or require statutory consultation.

Commissioners are content for this report to be considered.

2. Report

Introduction

2.1 On 18 September 2023, Cabinet approved the Asset Disposal Programme Update outlining the principles and process for disposal of non-essential Council Assets i.e., assets not required for the delivery of Council services.

3 Options considered

3.1 Option A - The assets listed in Appendix A could be retained and continue to be held within the GF, however they would require significant capital investment to maintain or be redeveloped, and in isolation for the town centre sites have no alternative use. There isn't the current capability or funding to deliver such work. This option would also result in missing a significant opportunity to generate capital receipts.

This is not recommended.

3.2 Option B – To declare those assets within Appendix A as surplus and re-validate the assets previously declared as surplus to enable disposal. This option would provide the Council with some financial benefit.

Recommended

3.3 **Option B is recommended** to cabinet for approval. Declaring the assets within Appendix A as surplus should allow the Council to receive a capital receipt by way of disposal during the current and next financial year, which will allow it to reduce its borrowing and contribute to its capital receipts target.

Background

3.4 The assets listed in Appendix A fall into the following categories to justify a decision to market them for disposal:

Commercial Units (Standing Properties)

3.5 The Council has several commercial assets in various wards across the Borough, further categorised as retail or standing properties. The commercial units identified within Appendix A could provide either investment or development opportunities for the private sector by virtue of the current lease structures.

3.6 The standing property assets identified for disposal will likely require significant capital investment at the end of the current lease terms and their location and size does not lend itself to any being re-purposed to align with strategic objectives to retain for investment, development or for the use of delivery of Council services.

3.7 Appendix B provides site plans for the assets listed in Appendix A to be considered so that the location and extent of these sites is clear to Cabinet.

3.8 Further asset review work is to be undertaken, and it is anticipated that this will identify further surplus GF assets, which will be brought back to members for approval to be declared surplus in a future report.

3.9 The proposal to sell surplus GF assets has other financial benefits over and above the disposal receipt. Disposing of surplus sites reduces the costs, liabilities and management burden associated with owning them. Nevertheless, prior to any disposal, all proposed surplus GF assets identified in this paper shall be subject to further detailed financial due diligence to model the financial benefit of not holding the asset versus the income stream lost as a result of disposal.

3.10 Selling surplus GF assets also delivers non-financial benefits. Transferring the ownership of these assets is likely to enable investment in them (by the new owners). This should mean development coming forward (e.g. additional housing) and investment in assets where there is not likely to be a change of use arising from a sale. This provides benefits to the residents of the Borough and the wider community.

4 Implications of the Recommendation

4.1 Financial implications

4.2 Under the terms of the Council's EFS agreement with the Ministry of Housing Communities and Local Government (MHCLG) the Council is required to review its asset bases and dispose of assets that are deemed surplus to reduce the requirement for borrowing.

4.3 Assets are only disposed of providing the sale offer is in line with best value consideration. When the property currently delivers an income stream to the Council then a financial benefit analysis is undertaken to ascertain whether it is financial beneficial for the Council to sell. This enables the assets to declared surplus.

4.4 More detailed financial analysis will be undertaken when the assets are taken forward for disposal based on the latest available information, on the basis of an offer being received at an acceptable market value it is best consideration for the Council to dispose of the asset. Prior to the actual disposal of the asset, a full financial appraisal will be undertaken and presented back to cabinet as part of the report to approve the disposal.

4.5 The Treasury Management strategy approved as part of the 2026/27 budget setting process in February 2026 is based on GF asset disposals of £79.4m over the 3 years (2026/27 - 2028/29) of the MTFS. The Disposal of assets previously approved as surplus as well as the assets within this report will contribute towards the Council achieving this target, which will minimise the borrowing under the terms of the EFS agreement and contribute towards the Council's debt reduction strategy.

4.6 Legal implications

5.2 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.

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

5.4 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.

5.5 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.

5.6 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.

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

5.8 A report on title and property due diligence will be commissioned in relation to each asset to ascertain whether there are any impediments to the disposal of the asset on a case-by-case basis.

5 Risk management implications

5.1 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 asset.
Governance	Failure to obtain best consideration from a disposal could expose the Council to risk of legal challenge.	The Council has employed external property advisors 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	Complete all legal and property due diligence and instructing on the

	could delay or halt any disposal. Initial due diligence undertaken has established any property that is currently un-registered.	preparation of reports 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. Process to complete first registration of unregistered property has been started.
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.

5.2 Environmental implications

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

5.3 Equality implications

6.3.1 The Council has a duty contained in section 149 of the Equality Act to have due regard to the need to: (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics are:

- age
- disability;
- gender reassignment;
- pregnancy and maternity;
- race;
- religion or belief;

- sex;
- sexual orientation.

The broad purpose of this duty is to integrate considerations of equality into day-to-day business and to keep them under review in decision making, the design of policies and the delivery of services.

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

5.4 Procurement implications

6.4.1 There are no procurement implications.

5.5 Workforce implications

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

5.6 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.