

**MILTON ROAD LIBRARY REDEVELOPMENT PROJECT – LETTER OF INTENT**

*To:* **Commercial & Investment Committee**

*From:* **Chris Malyon, Deputy Chief Executive**

*Electoral division(s):* **Arbury**

*Purpose:* **To highlight upcoming expenditure associated with redevelopment of Milton Road Library Site.**

*Recommendation:* **To approve a further Letter of Intent for investigation and initial construction work expenditure relating to the redevelopment of Milton Road Library by Cambridge Housing & Investment Company should the Council not proceed with the sale to them.**

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**1. BACKGROUND**

- 1.1** Cambridgeshire County Council (The County) holds a freehold interest in Milton Road Library Site (0.08 ha) located on the corner of Ascham Road and Milton Road, Cambridge. The County has submitted a planning application (Ref: 16/2060/FUL) to redevelop the site to provide a ground floor Library and Community Area and seven residential flats (2x2 bed, 5x1 bed) on the first and second floors. The planning application was recommended for approval by Cambridge City Council in March 2017 subject to the S106 Agreement being finalised. The County is proposing to dispose of the site, to Cambridge Housing & Investment Company (CH&IC), on a sale and lease back basis of the ground floor community and library areas.

**2. MAIN ISSUES**

- 2.1** The freehold sale of the property is contingent on establishing an agreement to lease and lease of the community and library areas of the ground floor of the new building from CH&IC. The property was declared surplus by Commercial & Investments Committee in October 2017. Heads of Terms for the leaseback were finalised at the beginning of January 2018. The sale documentation is currently being drafted and finalised.
- 2.3** CH&IC has previously requested that the County cover their expenditure for the Stage 2 works up to £120,000 should the County not proceed to dispose of the site to CH&IC. This allowed design work to continue and avoid construction delays. CHIC has now requested that the County cover their expenditure for further works (to cover the demolition and other procurements such as piling, groundworks, pre-cast flooring, steelwork and tree felling) totalling £273,500.00
- 2.4** A Letter of Intent being drafted which will cover CH&IC for these costs.