

**SALE OF MILTON ROAD LIBRARY SITE, CAMBRIDGE TO CAMBRIDGESHIRE
HOUSING & INVESTMENT COMPANY**

To: **Commercial & Investment Committee**

Meeting Date: **20th October 2017**

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

Electoral division(s): **Arbury**

Forward Plan ref: **2017/055** *Key decision:* **Yes**

Purpose: **To declare Milton Road Library Site surplus and agree the sale to Cambridgeshire Housing & Investment Company (CHIC).**

Recommendation: **It is recommended that:-**

- (1) The Committee approve the disposal of land and property at Milton Road Library, Cambridge to CHIC at 'best consideration'**
- (2) The final terms of the disposal be delegated to the Deputy Chief Executive in consultation with the Chair of the Committee**

To ratify the disposal of Milton Road Library Site to CHIC at 'best consideration'

<i>Officer contact:</i>	<i>Member contact:</i>
Name: John Macmillan Post: Group Asset Manager Email: John.Macmillan@cambridgeshire.gov.uk Tel: 01223 699092	Name: Councillor Josh Schumann Post: Committee Chairman Email: joshua.schumann@hotmail.co.uk

1. BACKGROUND

- 1.1 The Council owns the freehold of Milton Road Library Site (0.08 ha) located on the corner of Ascham Road and Milton Road, Cambridge.



- 1.2 The Council has obtained planning consent (Ref: 16/2060/FUL) to redevelop the existing library to provide a new ground floor Library and Community Area and seven residential flats (2x2 bed, 5x1 bed) on the first and second floors. The County is proposing to dispose of the freehold site at best consideration and lease back the ground floor community and library areas.

2. MAIN ISSUES

- 2.1 CHIC has been set up to generate income for the County Council through its borrowing and all its profits benefit the County as its only shareholder.
- 2.2 The mixed use redevelopment of this site by CHIC, at a higher density, offers significant gains for the County and the Company in a highly sustainable location.
- 2.3 CHIC are well placed to take on the redevelopment of this central Cambridge asset. CHIC will be acquiring the land at 'best consideration' established through an independent valuation by a RICS Registered Valuer.
- 2.4 The main Heads of Terms for the lease back of the Library and Community Areas have been agreed as follows:-

Term:	25 year business lease
Demise:	Ground Floor Library and Community Rooms (Constructed to shell only) and main garden
Basis:	FRI Lease via a service charge
Rent:	Market Rent to be determined by independent valuation
Use:	Local authority library purposes and ancillary community use and other uses in class D1/B1 in line with planning consent and statutory requirements
Rent Review:	Every Five Years to higher of the annual rent or market rent/RPI.
Break Option:	Tenant only break option every five years on twelve months notice and subject to vacant possession
Alienation:	CCC is permitted to sublet part or whole of the premises at less than Market Rent for a term of five years with an option to renew for a further five years.
Other:	Assignment of part or whole is permitted. CCC are required to guarantee any shortfall between the underlease rent and Headlease rent, in the event of forfeiture of the Headlease by the County Council, for the remainder of the term of any continuing underlease.

- 2.6 The best consideration purchase price, to be agreed with CHIC, will be based on the independent valuation commissioned by The County inline with The County's Disposal Process of Property Assets that was agreed at Commercial & Investment Committee's meeting on 30th June 2017.
- 2.7 LGSS Legal have been appointed to handle the sale with work on the draft contracts progressing with the aim to move to exchange and completion within a set time after planning consent.
- 2.8 The scale of the development does not meet the City Council's threshold for affordable housing which is 10.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

The following bullet points set out details of the positive implications identified by officers in the redevelopment of this mixed use site:

- Redevelopment of this prime central site will generate construction jobs for the duration of the demolition and build
- More residents will be living in the area spending money at local shops, bars restaurants etc.
- Provides new modern library and community facilities.

3.2 Helping people live healthy and independent lives

The site is in a highly sustainable location close to the centre of Cambridge with the benefit of public transport systems and bikes.

3.3 Supporting and protecting vulnerable people

There are no identified implications.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

The sales to CHIC are important in generating important revenue to support County Council services and have been built into the Council's budget plans.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

4.3 Statutory, Legal and Risk Implications

The following bullet point sets out details of significant implications identified by officers:

Refers to the Disposal Process of Property Assets that was agreed at the Committee's meeting on 30th June this document sets out all the legal considerations for disposing of council land to the CHIC.

4.4 Equality and Diversity Implications

None identified

4.5 Engagement and Communications Implications

The planning application has been subject to full consultation.

4.6 Localism and Local Member Involvement

Local Member and Community Group have been involved and consulted during the development of these redevelopment proposals.

4.7 Public Health Implications

There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: C Malyon.
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of Officer: Paul White
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes or No Name of Legal Officer: Comments/Approval yet to be received.
Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: John MacMillan.
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Christine Birchall
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Name of Officer: Christine May Interim Service Director.
Have any Public Health implications been cleared by Public Health	Yes Name of Officer: Tessa Campbell

Source Documents	Location
None	