

## **SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet **DATE:** 14 March 2016  
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**WARD(S):** All  
**PORTFOLIO:** Leader of Council - Cllr Anderson  
Deputy Leader of the Council – Cllr Swindlehurst

### **PART I** **KEY DECISION**

#### **THE OLD LIBRARY SITE – DEVELOPMENT PROPOSALS**

##### **1 Purpose of Report**

The purpose of this report is to establish with Cabinet the next occasion when Cabinet will be able to consider the full business case for a mixed-use development on the old library site, which will include proposals for a quality branded hotel. In the interim, authority is sought to negotiate and complete an associated, preparatory land transaction involving the surrender by the Council's tenants of their lease of Burlington Road car park and the grant to them of a new lease of a smaller part of the site, but for a longer term.

##### **2 Recommendation(s)/Proposed Action**

The Cabinet is requested to resolve:

- (a) That it be noted that a follow-up report will be presented to Cabinet for consideration in June 2016 which will be accompanied by a full business case to support the redevelopment of the Old Library site;
- (b) That delegated authority be given to the Assistant Director - Assets, Infrastructure & Regeneration, following consultation with the relevant Cabinet member, to negotiate and complete an agreement for the surrender of the existing lease of and for the grant of a new lease of part of Burlington Road car park outlined in red in the attached plan (Appendix A).; and
- (c) That the procurement of the surrender of the lease of Burlington Road car park is for the benefit, improvement or development of the Council's area.

##### **3.1. Slough Joint Wellbeing Strategy Priorities**

The development of the site would make a significant contribution to the Regeneration and Environment of Slough's Joint Wellbeing Strategy:

- A hotel in the town centre will improve the image of the town, providing good quality hotel accommodation, which is currently in short supply.

- Constructing the new developments will improve local temporary employment opportunities as well as increasing apprenticeship opportunities enabling local people to improve their learning and skill base.
- Operation of the hotel and restaurant will improve permanent local employment opportunities in the hospitality and catering sector.

### 3.2 Five Year Plan Outcomes

The developments will help deliver the following outcomes of the Five Year Plan outcomes:

#### Changing, retaining and growing

- **OUTCOME 1:** Introducing a hotel in the town centre will contribute to Slough being the premier location in the south east for businesses of all sizes to locate, start, grow and stay.
- **OUTCOME 3:** Providing centrally based hotel accommodation and a restaurant, will increase demand, footfall and activity in the town centre, thus contributing to the centre of Slough being vibrant, providing business, living and cultural opportunities

#### Using resources wisely

- **OUTCOME 7:** The Council's income and the value of its assets will be maximised through the receipt of capital and revenue receipts in the short term and a long term income revenue stream.

### 4. Other Implications

#### (a) Financial

It is anticipated that the redevelopment of this site to construct a hotel and restaurant would have significant capital and revenue implications. The Council will require capital investment in order to receive an income stream and capital appreciation. The financial implications will be set out in a robust business plan that will be considered by Cabinet in June 2016.

#### (b) Risk Management

<b>Risk</b>	<b>Mitigating Action</b>	<b>Opportunities</b>
<b>Legal</b> – No risks associated with this report.		
<b>Property</b> – The physical condition of the hotel asset will deteriorate over time.	The legal agreement with any proposed operator will include an obligation to undertake major refurbishment and re-fit every 10 years in addition to day-to-day maintenance.	

<b>Human Rights</b>	No risks identified	
<b>Health and Safety</b> – local residents / workers harmed during construction.	No risks identified	
<b>Employment Issues</b>	No risks identified	The redevelopment of the old library site to introduce a hotel and restaurant would create short term construction opportunities and long-term hotel and catering positions.
<b>Equalities Issues</b>	No risks identified	
<b>Communications</b>	No risks identified	
<b>Timetable for Delivery</b> – schemes are delayed Unnecessarily.	There is active participation of Slough Borough Council in Slough Urban Renewal operations, with effective challenge by informed staff.	Using the existing legally established subsidiary company will ensure expediency in delivery.
<b>Governance</b> – Poor performance.	The SUR has an established board of directors that are already competently directing the company's business.	Board members are from both the private and public sector ensuring a balance between commerciality and long-term objectives.

(c) Human Rights Act and Other Legal Implications

Old Library Site.

Under Section 122 of the Local Government Act 1972 the Council have power to appropriate for any purpose for which they are authorised by that or any other enactment to acquire land by agreement, any land which belongs to the Council and is no longer required for the purpose for which it is held immediately before the appropriation.

Under Section 120 of the Local Government Act 1972 the Council have power to acquire by agreement any land for the benefit, improvement or development of their area.

Accordingly, by virtue of the combination of the above provisions the Council have power to appropriate the land for the proposed development provided they resolve that it is no longer required for its current use and provided they resolve that the proposed development is for the benefit, improvement or development of their area.

Burlington Road Car Park Site

The proposed procurement of the surrender of the lease of the Burlington Road car park constitutes the acquisition of an interest in land. Under Section 120 of the Local Government Act 1972 the Council can acquire land by

agreement for the purpose of the benefit, improvement or development of their area. The Council must resolve, therefore, that the procurement of the surrender of this lease is for the purpose of the benefit, improvement or development of the Council's area.

The grant of the new lease of the Burlington Road Car Park would constitute a disposal of an interest in land. Under Section 123 of the Local Government Act 1972 the Council may dispose of land held by them in any manner they wish but must not do so for a consideration that is less than the best that can be reasonably obtained, without the consent of the Secretary of State. However, under the General Consent of 2003 given by the Secretary of State under Circular 06/03 the Council can dispose of land for a consideration that is less than the best up to a limit of £2,000,000 if it considers that this will promote the social, economic or environmental well-being of their area

(d) Equalities Impact Assessment

There is no identified need for the completion of an EIA associated with this report

(e) Property

See section 5 below.

(f) Policy impact

The developments will have the following non financial Economic Development benefits:

- The proposal supports the development of temporary and permanent jobs and training opportunities for residents.
- They boost the centre of town's economy and ambience by increasing footfall and demand for related leisure and retail services.
- It responds to the increased demand for high quality hotel accommodation for both short and long stay visitors.
- The Crossrail effect (completion in 2019) will bring Slough much closer to London in travel time and convenience. Many London based businesses will look to move out of the City into suburban areas with slightly cheaper commercial rents and rates.
- The Heathrow expansion plans impact on Slough's economy in a positive way. More businesses will choose to locate here as proximity to Heathrow is already a great draw factor.

## **5. Supporting Information**

- 5.1 In March 2015 Slough Borough Council ("SBC") acquired the current Slough Library site from the Homes and Communities Agency for a total investment of £2.69m. Current library services will be transferred to The Curve when it is completed later this year. The Council intends to demolish the building immediately after it is vacated and its services are decommissioned.

- 5.2 The site is a landmark location in the heart of the town and is highly visible at the Wellington Street / William Street junction. It is identified for hotel and office use in the Local Development Framework and was granted outline consent in 2009 for 120 bed hotel (4,991 sq. m.), 91 residential units (8,317 sq. m.) and 1,072 sq.m. of retail and leisure space.
- 5.3 In keeping with the proposals set out in the Heart of Slough masterplan, the Council is developing proposals through its partnership with Slough Urban Renewal ("SUR") to introduce a quality hotel and restaurant on this quadrant.
- 5.4 The proposed site offers a prime location for hotels and an associated A3 restaurant in the town centre as part of a mixed-use development. Research by SUR's retained hotel specialist consultant has indicated there is a need and market for additional hotel rooms in Slough and has highlighted that whilst the budget hotel sector is well catered for, there is an absence of higher quality extended stay and/or lifestyle hotels in the town.
- 5.5 In addition to a hotel, the old library site has the capacity to introduce an office or residential development. Massing studies and options appraisals are being undertaken to establish the best complementary use in terms of capital appreciation, income streams and compliance with 5 Year Plan outcomes. The results of this work will be built into the final business plan. At the same time, Officers are evaluating various operating approaches to determine the most suitable operating model for the Council.
- 5.6 The old library is located immediately beside Cornwall House. This former office block is being refurbished under permitted development rights to build apartments for sale. The car parking provision for this development is leased from SBC and is located at Burlington Road; however the lease terms exclude free parking at weekends.
- 5.7 To allow the owners of Cornwall House to sell the properties with permanent car parking the Council may accept a surrender of the existing lease in return for the grant of a new lease to reflect both parties revised needs. This would involve surrendering their weekday lease of 100 spaces at Burlington Car Park and being granted an unrestricted long lease in respect of 40 spaces. SBC will have the ability to temporarily relocate the spaces giving the Council flexibility to upgrade the car park by way of a deck to create circa 250 spaces gross, (210 spaces net) that will service any development proposals for the old library site.

## **6. Conclusion**

The redevelopment of the old library site is a key component of the Heart of Slough Strategy and will complement the Curve as a catalyst for social and economic regeneration. The business case for the hotel element and options appraisal for the remainder of the site is being developed and will be considered by Cabinet in June 2016.

In the meantime, restructuring the lease at Burlington Car Park will have mutual benefits to the Council and developer and make the overall redevelopment more attractive to respective parties.

**7. Attachments**

Appendix One – Site Plan, Burlington Car Park

**8. Background Papers**

None