

<b>DECISION-MAKER:</b>	CABINET COUNCIL
<b>SUBJECT:</b>	LIBRARY PROVISION IN WOOLSTON
<b>DATE OF DECISION:</b>	13 NOVEMBER 2012 14 NOVEMBER 2012
<b>REPORT OF:</b>	CABINET MEMBER FOR HOUSING AND LEISURE
<b>STATEMENT OF CONFIDENTIALITY</b>	
There are confidential appendices 1 and 2 attached to this report. Confidentiality is based on Category 3 of paragraph 10.4 of the Council's Access to Information Procedure Rules. It is not in the public interest to disclose this because doing so would prejudice the Authority's ability to achieve best consideration for the disposal of land and the awarding of a contract to carry out building works.	

### **BRIEF SUMMARY**

The Report seeks approval to add funding to the Housing and Leisure Capital Programme for the replacement of Woolston Library.

### **RECOMMENDATIONS:**

#### **CABINET**

Subject to Council approval of recommendation (ii).

- (i) To approve, in accordance with Financial Procedure Rules, capital expenditure of £35,000 in 2012/2013, £107,000 in 2013/2014 from the Housing and Leisure Capital Programme for the design work of the community facilities including the replacement library in Centenary Quay.
- (ii) To delegate authority to the Director of Environment and Economy to sign the lease for the property subject to consultation with the Director of Resources and Cabinet Member for Housing and Leisure

#### **COUNCIL**

- (iii) To add, in accordance with Financial Procedure Rules, a sum of £957,000 to the Housing and Leisure Capital Programme for the fitting out of the community facilities including the replacement library in Centenary Quay funded from Council resources.
- (iv) To note that the proposal is to fund the fit out from capital receipts as set out in appendix 2.
- (v) To note that a significant element of the capital receipts funding is from the potential sale of site 1 as identified in confidential appendix 2, and that no decision has yet been made to sell site 1
- (vi) To agree to fund the shortfall in capital funding required for the fit out from general Council resources should the sale of site 1 not proceed. The shortfall would be as set out in appendix 2.

## **REASONS FOR REPORT RECOMMENDATIONS**

1. The replacement library is expected to be handed over by the developer in October 2013. The project is needed to ensure that the Council is able to take out a lease on the property and fit it out with a view to opening it in 2014. Approval is required to add the project to the Capital programme and to authorise spend on the design work.

## **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

2. The Council could continue to work from the existing library and not move to Centenary Quay. Another alternative site in Inkerman Road was identified in the Local Plan, but would have been expensive to build and was not taken forward as Centenary Quay is more financially viable and provides a more prominent location. The existing library is in poor condition, has a significant repairs backlog and does not provide disabled access for people in wheelchairs. The intention would be to sell the existing library site, Inkerman Road site and another Council-owned site which is estimated to be enough to cover the capital cost of the new library.
3. The Council could consider alternative uses for the library space. This would require Crest Nicholson's co-operation for a new planning application for change of use and an amendment to the Section 106 Agreement. If the Council wished to use the building it would still face the cost of fitting out.

## **DETAIL (Including consultation carried out)**

4. Woolston Library is housed in an inadequate building in poor condition and poorly located. The Council identified and reserved a vacant plot of land in Inkerman Road for a new library but this was not built. The redevelopment of the Vosper site in Woolston - now called Centenary Quay- offered the opportunity of a replacement library to be secured via a Section 106 Agreement. In public consultation by SEEDA who owned the land, a replacement library emerged as the improvement local people most wanted to see on the site.
5. Planning permission for Centenary Quay granted in 2009 included a 760 m<sup>2</sup> library. The space will include a fully accessible disabled toilet. The Section 106 Agreement requires Crest Nicholson to complete the library space to a shell and core finish and following its completion, to offer it to the Council on a long lease (not less than 125 years); such lease to be at nil rent and on full repairing and insuring terms. If the Council takes the lease it will therefore have to fit out the premises at its own costs. If the Council does not complete the lease within nine months of the offer, the obligation falls away and Crest Nicholson are at liberty to apply for a change of use of the library space.
6. Subsequent to the Agreement, it was decided to use approximately a third of the 760 m<sup>2</sup> to accommodate staff from the Peartree Local Housing Office. Staff will also be relocated from Weston Housing Office in order to facilitate the Estates Regeneration Programme. The financial viability of the facility is dependent on the freeing up of the Peartree Housing site and adjacent parking.

7. During the design phase, further work will be carried out to ensure the project engages with and supports the community hub model. The co location of services is developing in the initial model, with library and housing services, but there remains scope to extend this further.
8. Expenditure is needed to ensure that the Council is able to comply with the Section 106 Agreement and open the library in 2014. It will ensure that, working with Capita Symonds, the building is designed, a contractor appointed to carry out the fit out and that the work is managed on-site. The project will also ensure that all of the receipts from the sale of disposals are secured.

**Key Outcomes**

9. The Project will deliver the following key outcomes:-
  - Properties successfully offered for sale by SCC;
  - Contractor secured through nationwide competitive tendering process to carry out fit out;
  - Fitting out of shell and core facility;
  - Decant from existing SCC properties to new facility;
  - New facility opens within 9 months of being handed over to SCC, with the aim of providing library services in the current building up until that point

**Key Risks**

10. **Capital receipts will not be available until after the completion of the project.** This will apply to two proposed disposals as detailed in Appendix 2 where an analysis of the risks is highlighted.  
**Capital receipts insufficient to cover cost of project.** Valuation advice on the receipts has been provided by Capita Symonds and reflects the prevailing market conditions. They offer the best indication we can achieve of the value of each property although the actual receipts may be more or less than the valuation.  
**Fitting out costs greater than anticipated.** The Council is currently reviewing procurement guidelines. However, on the assumption that, in any event, competitive tendering would be at the heart of the process there is a reasonable expectation that it is possible to achieve the fitting out at a lower cost.

**Resources**

11. The project will largely be delivered by Capita Symonds for the fixed fee detailed in Appendix 1. Additional staffing capacity, which will be met from within existing resources, will be required as follows:

Project Manager	Half day a week for 75% of project 1 day a week for 25% of project
Project Board	2 hours every two months x4
Project Team	Half day a week for 25% of project x6

### **Performance Standards**

12. The Project will comply with the following: SCC Project Management Guidelines; SCC Financial Procedure Rules; SCC Contract Procedure Rules, SCC Procurement Rules. The design procurement and building work will comply with the Royal Institute of British Architects Plan of Work (Stages C-L) and the Construction, Design and Management Regulations. Overall the project will be delivered and measured against an agreed Project Initiation Document.

### **Timescale and Milestones**

- 13.

Sale of Sites	October 2012 – February 2014
Completion of Design Scheme	August 2013
Issue of tender documents	September 2013
Award of Contracts	October 2013
Signing of lease	November 2013
Building work commences	November 2013
Building work finishes	February 2014
Relocation of SCC services	March 2014
Facility opens	April 2014

### **Consultation**

14. Comments from those involved in the formal consultation have been built in to the body of the Report. The following specific issues were also raised:-
- The advisability of undertaking a major capital project in the current financial climate and disposing of property when the value of receipts is sure to be low;
  - The possibility of using the building for another purpose;
  - The value of the facility in terms of the regeneration of the area.
15. In response, the provision of a new library has been a long standing commitment for the Council. It will replace an inadequate building and the site disposals identified in the appendices are expected to cover the capital costs. The proposal has to come forward at this time as the developer will offer the unfinished building to the Council in October of next year. Using the building for another purpose would still require the Council to find the costs of fitting out. The co-location of staff from the Weston and Peartree Offices in the new facility will greatly facilitate the co-ordination of regeneration across the district.
16. Questions were also raised about the place of the proposal with any strategic plan for the service. The Council has an ongoing approach to ensure:-
- Whenever possible, libraries co-locate with other Council services or other providers.
  - Exploitation of existing and potential developer involvement to deliver capital investment in library buildings.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

17. The cost of the entire project is £957,000. This is an estimate based on the information and assumptions available. A full break down of the estimate is in Appendix 1.
18. It is recommended that the costs are met from Council Resources, namely from the identified capital receipts which will be realised from the disposal of a number of sites in Woolston. A list of these sites and the expected receipts is in Appendix 2. The risks as to achieving these receipts and timing are highlighted.
19. The key risk on the funding of this scheme is that for the most significant capital receipt, which is for Site 1 in confidential appendix 2, the disposal has not yet been agreed. Full Council are therefore asked to agree in Recommendation (vi) that should the sale of site 1 not proceed, that Full Council will need to find additional general resources to fund the shortfall, the scale of which is set out in Appendix 2.
20. The premises running costs of the new facility are estimated to be £38,700 which, as the building is much larger than the other Council buildings to be replaced, is £16,500 more than the current costs for the existing library and local housing offices and will be met from the Housing and Leisure portfolio.
21. Vacating the old library will mean that £120,000 of backlog maintenance will no longer be required and the cost will be avoided.
22. Loss of income from the disposal of one site is dealt with in Appendix 2.
23. A further report will be brought back to Cabinet seeking authority to spend the capital sum required, once design work is completed. An update will be provided on the overall financing of the scheme in relation to the sale of site 1.

### **Property/Other**

24. Relocating services to Centenary Quay will release a number of properties for disposal, including the library reserved site in Inkerman Road and the existing Woolston Library. As outlined in Appendix 2, formal approval is yet to be given in relation to one of the main sites to ensure the cost of the fit out is covered from the receipts from these disposals. Securing the receipts will follow after the expenditure on fit out has occurred. Planning permission has been obtained for the development of the Inkerman Road site on the basis that a library would be provided in Centenary Quay. This is currently being marketed for sale.

## **LEGAL IMPLICATIONS**

### **Statutory power to undertake proposals in the report:**

25. The Council is obliged by the Public Libraries and Museums Act 1964 to provide a comprehensive and efficient library service for all persons who wish to make use of such a service. In addition, the Council can elect to provide additional or improved library services pursuant to section 1 of the Localism Act 2012, in the absence of any legislative restrictions affecting this general power of competence.

