

Cabinet

5 DECEMBER 2011

**CABINET
MEMBER FOR
RESIDENTS
SERVICES**

*Councillor Greg
Smith*

**UPDATE ON IMPLEMENTATION OF LIBRARIES
STRATEGY: BARONS COURT COMMUNITY LIBRARY/
AVONMORE NEIGHBOURHOOD CENTRE**

**Wards:
Avonmore and
Brook Green**

This report provides a proposed way forward for the library service re-provision at the Barons Court site.

A separate report on the exempt Cabinet agenda relates to the restrictive covenant held on the building.

CONTRIBUTORS

AD Cleaner and
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Recommendations:

That, in order to deliver the MTFS savings for 2011/12 and develop the More Than a Library concept via a community run service, the following actions be approved:

- 1. To work with Hammersmith and Fulham Citizens Advice Bureau (CAB) to deliver a community library (the upper ground floor of Barons Court Library is leased to CAB to use half the space for its principal services and the other half a combined Self Service library and CAB waiting area, managed by CAB volunteers), the duration, rent and other terms of such lease to be as the Assistant Director Building Property Management and the Assistant Director (Legal and Democratic Services) consider appropriate.**
- 2. To note the financial risks if there continue to be costs associated with the lower ground floor, and issues related to the covenant, as outlined in the exempt report.**
- 3. That approval be given for an order to be placed under the Measured Term Contract for Non-Housing Projects 2011/2015. This procurement route is based on a framework agreement with three contractors.**

**HAS AN EIA
BEEN
COMPLETED?**

**HAS THE
REPORT
CONTENT
BEEN RISK
ASSESSED?
YES**

- 4. That the contract be awarded to Mulalley & Company Limited, at an estimated works cost of £308,000 (including a contingency of £40,000) to which fees of £47,000 will be added, making a total cost of £355,000. The funding for this project will be met from the Corporate Planned Maintenance Programme 2011/2012 as approved by Cabinet on 7 February 2011 and the agreed protocol for variation as delegated to the Executive Director of Finance and Corporate Governance and the Assistant Director Building and Property Management.**
- 5. That the site be closed in January 2012 for a period of up to ten weeks (although this will be kept to a minimum), to allow refurbishment works to take place, with authority delegated to the Cabinet Member for Residents Services, in consultation with the Executive Director of Environment, Leisure and Residents Services, to vary those dates should occasion require.**
- 6. To continue to draw down from corporate contingencies the sum of £13k per month should the site remain open beyond January 2012.**

1. BACKGROUND

- 1.1 The 2009-2014 Libraries Strategy proposed a rationalisation of the library service from the provision of six libraries to four enhanced libraries.
- 1.2 Out of the six libraries in the borough, Barons Court Library, has the second lowest usage and the second highest net cost per issue; £1.43 more per issue than the lowest cost - at Hammersmith Library. As a result of this significant relative cost, on 10 January 2011, Cabinet agreed to end the Council-run facility at Barons Court Library from 31 March 2011, and enter into a suitable agreement with other organisations to:
- transfer the library provision to a volunteer-run service
 - utilise any spare accommodation space to other voluntary sector groups
- 1.3 On 18 April 2011 Cabinet agreed to additional one-off funding to enable a continuous service to be maintained at Barons Court Library until June 2011, pending implementation of the new arrangements. In June 2011 Avonmore Primary School withdrew its interest in the library. As a result of this withdrawal additional funding was provided to continue the provision of Barons Court Library until 31st December 2011. Beyond this date there is no allocated funding for the traditional service. £30K per year, for 2012/13 and 2013/14, has been set aside from the 3rd Sector Investment Fund (3SIF) for the development of a community library.
- 1.4 Through discussions with a range of 3rd sector organisations officers have developed a proposal for a community library and neighbourhood centre to be provided from the Barons Court site, in line with the Council's *More Than A Library* brand. The centre, Avonmore Library and Neighbourhood Centre, would be run by the community and will deliver a library service with an improved offer of services than was previously provided.

2. NEW SERVICE TO BE PROVIDED FROM THE SITE

2.1 Overview of service

- 2.1.1 A self service library will be provided and run by CAB volunteers. CAB, which is funded by H&F through the 3rd Sector Investment Fund, would provide its legal advice and information services from this building. The Urban Partnership Group (UPG) would deliver children's activities and the lower floor could be used by a complementary organisation.
- 2.1.2 Half of the first floor will be used by CAB to provide its principal advice and information services, the other half of the upper ground floor will be a library as well as CAB waiting area. CAB volunteers would oversee the daily operations of the library element which would be a Self Serve design with one Self Serve terminal, a range of stock for all ages (but with a particular focus on children) and internet access. The opening hours of the library are

intended to continue to be Monday – Friday, 9am – 5pm. This proposal provides residents with an improved, more varied service to that currently provided from the site.

- 2.1.3 UPG would provide two parent-child reading and play sessions per week in the library space, a contribution for which may be expected from ChS if no other funding is forthcoming. The lower ground floor could be used by another complementary organisation to contribute to the running costs of the library and the range of services provided from the site. This organisation would facilities manage the lower ground floor and would be responsible for its internal maintenance. The Council would be responsible for the external maintenance of the building which would be funded by the current tenant rent on the upper floor. If the lower ground floor is not leased there would be a financial risk relating to the ongoing costs, totalling approximately £8,000. This consists of the Self Service licensing and maintenance costs and the provision of newspapers and magazines.

2.2 **Specific library service options**

In the preferred option, the library would remain part of the Council's wider network, with stock at Barons Court continuing to be included in the Council's catalogue. New stock would be purchased and whilst the stock quantity will be lower than previously, it will be of a much higher quality and range, with provision for children and adults, but with a particular focus on children. Users will be able to return books from other libraries to Barons Court as well as check books out via Self Serve. There will remain space for users to read the books at the site. Public access internet will continue to be available in its current format for CAB and library users. Current stock, furniture, shelving and children's furniture will be left to CAB, however H&F would fund and install the Self Serve infrastructure and CAB volunteers will be trained in the use of this by H&F libraries staff. There will also be H&F public access PCs and internet access, as well as continuing the free provision of newspapers and magazines for users to read at the library.

3. **TUPE**

- 3.1 Management are of the view that TUPE does not apply in view of the following:

Library staff are deployed to work across any one of H&F Libraries and are not attached to any particular site. Staff currently rostered to work at Barons Court Library will be rostered to work at alternative sites once the Library has closed. It is therefore unlikely that a service provision change type TUPE situation arises from the facts.

- 3.2 However, where the business to be transferred looks the same or similar after the transfer, there is a low risk of TUPE applying. Although the new library service will be managed via CAB volunteers in a different way to the existing provision, the situation will be kept under review and managed as part of the implementation of the new service model.

4. FINANCIALS

4.1 Capital costs

4.1.1 The total capital costs are £385k. This consists of £355k for refurbishment works which will be funded through the CPMP 2011/12 and £30k for Self Service equipment and IT cabling which will be funded through a portion of the ring fenced 3SIF funding for 2012/13 and 2013/14.

4.2 Ongoing service costs

4.2.1 There are ongoing costs relating to internal building costs including utilities, licensing and maintenance of the Self Service equipment, and external maintenance costs. There will also be rental income.

4.2.2 CAB would be expected to contribute to the £25k p.a. running costs of the upper ground floor and would hold the lease to the upper ground floor, the precise details of which are yet to be confirmed. It is not anticipated that the lease would be longer than 7 years. There would be no financial gain to the Council in removing the current IT infrastructure and public access PCs since CAB would require additional funding from the Council to replace them. This would be at a greater cost to the council than continuing with its current IT contract with HFBP. The ongoing running costs for the lower ground floor (£10k p.a.) are expected to be fully recovered through the tenant in this space. The rental charge for this floor is estimated at £10k p.a which would also be covered by the tenant.

4.2.3 External maintenance costs, including grounds maintenance, will continue to be the responsibility of the Council and will be funded using the current rental income from the tenant in the first floor (£7.7k p.a.). Internal maintenance costs would be funded by CAB and the organisation leasing the lower ground floor and are included in the estimated running costs detailed in the following points.

4.2.4 Ongoing costs for preferred option

The Self Service library will be integrated into the LBHF network with public access PCs and internet access. Magazines and newspapers will be provided free for resident use. This will be financially sustainable provided the estimated £10k rental income from the lower ground floor achieved. The costs of this option are detailed in table 1, below.

Table 1: revenue costs and income at Barons Court from 2012/13

Description	Value
Costs	
Upper ground floor running costs, including building and utility costs, newspapers and magazines and ongoing Self Service maintenance and licensing	37,000
External maintenance	7,700
Total	44,700

Income	
CAB contribution to upper ground floor	25,000
Lower ground floor rent	10,000
First floor tenant rent	7,700
Other contribution (for rental for spoke service)	2,000
Total	44,700

4.3 Service costs beyond 31 December 2011

4.3.1 A draw down from corporate contingencies of £97,000 has previously been agreed to fund the library service, running costs and preparatory building work (i.e. surveys, not refurbishment costs) until 31 December 2011. There is no funding to keep the site open beyond this point. The additional cost of keeping the site open beyond 31 December 2011 would be £13k per month, as detailed below. If it is agreed that the site will close from January 2012 until March 2012 to allow for refurbishment and relocation of CAB then there will be no additional cost to the Council. If the site is to remain open beyond January 2012 then this £13k per month will need to be funded.

Subjective	Barons Court (£000)
Staffing	11
Premises	3
Supplies & Services	1
Total Expenditure	15
Income	(2)
Net Expenditure per Month	13

5. TIMESCALES

5.1 As set out in 4.3, funding has been allocated to keep the site open and operating as a library until 31st December 2011. The intention is to close the library for a maximum of ten weeks (although this will be kept to a minimum) in January 2012 to allow for refurbishment works, installation of the Self Service library and relocation of organisations. The new service is planned to be provided from April 2012.

6. EQUALITIES ASSESSMENT

6.1 An Equalities Impact Assessment (EIA) has been carried out regarding the cessation of a Council-run library service at Barons Court and is summarised in the Cabinet report of 10th January.

6.2 Since there will continue to be a library service delivered from the site the impacts will be minimal. There may be reduced stock, the quality of the overall offer will be much improved and there will be online access. The range of services delivered from the site through CAB and UPG will provide added benefits to residents through free advice services and children's spoke activities.

6.3 The EIA does identify that a greater number of females than males use the library therefore female customers will be more affected.

7. COMMENTS OF ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)

7.1 The Council's obligations to provide an efficient and effective library service and to have due regard to the public sector equalities duties have been set out fully in the previous report. These continue to be relevant duties and considerations to which officers and members must have due regard in the development and implementation of these proposals.

7.2 The Council has a statutory duty under Section 7 of the Public Libraries and Museums Act 1964 to provide a "comprehensive and efficient library service". It would not appear that this duty can be delegated as such, though it could no doubt be discharged by commissioning agents or contractors to provide the service on the Council's behalf. Where such agents or contractors are charitable bodies (such as CAB), providing such services would need to be within their charitable objects.

7.3 The Council has power under Section 123 Local Government Act 1972 to grant leases of its premises. Where the lease exceeds 7 years, it must be granted at the best consideration that can reasonably be obtained or else consent obtained from the Secretary of State at DCLG. In fact, the Secretary of State has issued the General Disposals Consent 2003, which already gives consent for disposals (including leases) at an aggregate undervalue of up to £2m on any one occasion, provided the Council is satisfied that the disposal will promote the economic, social or environmental well-being of the borough or any person in the borough. Whilst this should not be too difficult to justify in the case of library and children's services, it is important that a genuine assessment is made and considered by Cabinet (if the lease to be granted here will exceed 7 years but not reserve a full market rent). Where the proposed rent is less than the market rent, in applying the £2m limit, the annual shortfall needs to be multiplied by the number of years the lease will run.

8. COMMENTS OF THE EXECUTIVE DIRECTOR OF FINANCE & CORPORATE GOVERNANCE

8.1 Should Barons Court Library continue to be provided as a Council run library beyond 31 December 2011 there will be a £13k budget pressure per month that transfer is delayed. The recommendation that any delay beyond this date is funded by a further draw down from corporate contingencies is supported.

8.2 It is expected that the £30k per year (for 2012/13 and 2013/14) set aside from the 3rd Sector Investment Fund will be sufficient to fund the one off implementation costs of self service and associated revenue costs for the first 2 years. Beyond that permanent revenue funding will need to be identified, although it is expected that this will be funded either through ongoing rental income from the tenants or future grant applications. Section 4.2.4 sets out

how these additional works are expected to be funded at zero cost to the Council for at least the first 2 years of the new delivery model.

- 8.4 It is recommended that £355k is earmarked within the Council's 2011/12 Corporate Planned Maintenance Programme to fund the cost of refurbishment works at the site.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

	Description of Background Papers	Name/Ext. of Holder of File/Copy	Department/ Location
	Library Strategy 2009-14 Update	Sue Harris, Assistant Director RSD Cleaner Greener / x4295	Residents Services 77 Glenthorne Road
	Cabinet Report 10 th January 2011	Sue Harris, Assistant Director RSD Cleaner Greener / x4295	Residents Services 77 Glenthorne Road
	Cabinet Report 18 th April 2011	Sue Harris, Assistant Director RSD Cleaner Greener / x4295	Residents Services 77 Glenthorne Road
	Annex 1 – Exempt report on covenant	Sue Harris, Assistant Director RSD Cleaner Greener / x4295	Residents Services 77 Glenthorne Road
	CONTACT OFFICER:	Sue Harris ext. 4295	