

Bath & North East Somerset Council		
DECISION MAKER:	Councillor Charles Gerrish, Cabinet Member for Finance and Efficiency and Councillor Karen Warrington, Cabinet Member for Transformation and Customer Services	
DECISION DATE:	On or after for 24 February 2018	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3039
TITLE:	Future management of Saltford Library building	
WARD:	Saltford	
AN OPEN PUBLIC ITEM		
<p>List of attachments to this report:</p> <p>Appendix 1: RICS – Local Authority Asset Management Best Practice – 07: Disposal of Land at less than Best Consideration</p> <p>Appendix 2: Heads of Terms for Community Asset Transfer</p>		

1 THE ISSUE

- 1.1 The Council is in the process of delivering its Modern Libraries programme which includes an approved model for Community run libraries.
- 1.2 This report relates to Saltford Library which is one of the 5 Branch Libraries currently operated by the Council.
- 1.3 The Council's approved programme for Libraries includes a proposal to transfer the property related costs for each of its Branches to Community run libraries.
- 1.4 This proposal is fully in line with the Council's overall strategic objectives relating to Modern Library Services, it supports the savings target of £800,000 at the same time as maintaining valuable Library services to the Community. It is a solution which demonstrates the Council working effectively with a local community group to keep front line services available in an affordable context.

2 RECOMMENDATION

The Council is asked to;

- 2.1 Delegate to the Head of Property authority for the completion of the disposal of the premises into a final lease in line with the Heads of Terms attached.
- 2.2 Agree the proposal for Saltford Library as listed below in section 5 of this report, as this will help to resolve the ongoing budget pressures/savings proposals.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 This proposal to lease the building to SCA forms part of the Modern Libraries programme which will deliver £800k annual revenue savings by 2019/20. This proposal will contribute savings in the region of £31,150 through savings from running costs, building maintenance and different working arrangements.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 Under the Public Libraries and Museums Act 1964, local councils in England have a statutory duty to provide a 'comprehensive and efficient' library service for all people working, living or studying full-time in the area who want to make use of it. We are not planning on reducing the Library service available but rather we will ensure that residents and library users continue to receive the comprehensive and efficient library service they already enjoy. The Council, however, needs to take a strategic, long-term approach that strengthens the resilience of our communities as well as ensuring efficiencies.
- 4.2 Public Health and Inequalities: the Council has a statutory duty to promote the health and wellbeing of the inhabitants of its area and reduce inequalities amongst its population.
- 4.3 Property Considerations: Under s123 of the Local Government Act 1972, any disposal by the Council of an asset in excess of 7 years (including leasehold interests) must obtain "best consideration", unless the General Disposal Consent (England) 2003 can be applied or a specific consent is obtained.
- 4.4 The General Consent allows specified circumstances where the consent can be applied:
 - a) the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area;
 - i) the promotion or improvement of economic well-being;
 - ii) the promotion or improvement of social well-being;
 - iii) the promotion or improvement of environmental well-being;
 - b) the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000 (two million pounds).

4.5 The RICS is the governing body for Chartered Surveyors and they have set out guidance specifically to deal with this issue which should be followed unless there are particular circumstances that mean that it is not appropriate. It essentially puts in place an audit trail so that the decision to dispose at less than market value is demonstrably robust. It is, therefore, considered that this is an appropriate model for sign-off of the individual transactions which should be undertaken in liaison with the Section 151 Officer. The guidance is attached in full at Appendix 1 and in summary requires:

- a full valuation exercise is undertaken which understands the maximum theoretical Market Value for the asset to be transferred.
- calculation of the reduced values that apply because of any restrictions that the Council applies relating to things such as use, alienation, clawback, etc.
- the value added to the Council through the outcomes of the transfer has been assessed and found to be not less than the difference between market value and the actual price to be paid.

4.6 There are no current delegations or resolutions to allow these transfers to take place at less than best consideration; best consideration being based on market values. This report, therefore, seeks to give such authorisation to the Head of Property, who otherwise has the delegated powers to enter into property transactions on behalf of the Council.

4.7 These disposals are not considered to constitute State Aid.

5 THE REPORT

5.1 The Council's decision is to change the management oversight of this building to Salford Community Association as detailed below.

5.2 The application of this policy is in line with guidance to Local Authorities on asset transfers. The idea is to help secure community benefits in line with Council priorities and objectives by granting lease for the property with no rent payable, in exchange for arrangements designed to secure community benefits in line with Council objectives.

5.3 As there are no current delegations in place to officers it is necessary to give specific authority to enter into this transaction. The proposals give a structure which can demonstrate the audit trail that led to the grant of a leasehold disposal at less than market value.

5.4 Rent will be nominal on the proviso that the tenant continues to use the premises for the purposes of Library provision in accordance with an agreed contract which will be an appendix to the lease agreement once agreed

5.5 The assessment against the RICS criteria has identified the following:

- The rental amount foregone is £9500 pa, based on the most recent professional valuation

- The current cost of running and delivering the current Salford Library is £31,153 per year, including staffing, building costs and overheads.
- 5.6 Given that there is therefore a net benefit to the Council of £21,653 from this proposal, and that the proposal put forward by Salford Community Association facilitates both future library services and the provision of Post Office services in the village, it is considered that this delivers sufficient social, economic and environmental benefits to meet the test set out in paragraph 4.5 above in relation to the General Consent Order.
- 5.7 It should be noted, however that the proposal from SCA is based on an assumption of £5000 of one-off investment which would be from the dedicated fund made available by Cabinet for community libraries, subject to a successful application.
- 5.8 The transfer of the building will be in accordance with Heads of Terms approved by Head of Property in compliance with statutory responsibilities under s123 Local Government Act 1972, in pursuance of the recommendations and in accordance with normal practice
- 5.9 Salford Library is currently managed by Customer Service staff of the local authority. The proposal is that the management of this building will transfer to Salford Community Association and the building itself will be leased to it.
- 5.10 This arrangement will protect a library service as well as a proposal to incorporate a Post Office counters service from the same building.
- 5.11 All maintenance costs will be the responsibility of the Salford Community Association. The details of this will be set out in the proposed Heads of Terms (Appendix 2) which will be agreed between the parties before the handover will take place.

6 RATIONALE

- 6.1 This option has been chosen as it enables the Council to implement its policy for Community run libraries and it enables the Modern Libraries Programme to achieve its overall savings target.
- 6.2 It provides the Community with a valuable resource and helps to maintain a valued library service and post office service in the area

7 OTHER OPTIONS CONSIDERED

- 7.1 The Council has displayed notices at the property requesting the community to come forward with proposals. This is the only offer that has been received and is in keeping with the model set out for community run libraries.
- 7.2 If this proposal is unsuccessful then Cabinet has committed to reviewing any other options that may be available.

8 CONSULTATION

- 8.1 The proposed model has been extensively discussed by the Council. Locally there have been requests made for appropriate groups to come forward and offer these services. It has also been discussed at open public meetings within the local community.
- 8.2 Staff have been consulted on the options and are involved in developing and supporting the Community run library approach
- 8.3 Posters have been displayed in Saltford Library asking for proposals and interested groups to come forward to provide a community run library service and the Community Group themselves have contacted residents about the proposals.

9 RISK MANAGEMENT

- 9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

Contact person	<i>Ian Savigar – 01225 477327</i>
Background papers	<i>Modern libraries – community run approach report to cabinet Business Case relating to Saltford Library</i>
Please contact the report author if you need to access this report in an alternative format	