

Bath & North East Somerset Council

DECISION MAKER:	Councillor Charles Gerrish, Cabinet Member for Finance and Efficiency Councillor Karen Warrington, Cabinet Member for Transformation and Customer Services	
MEETING/ DECISION DATE:	On or after 23 rd March 2019 (for single Member decision)	EXECUTIVE FORWARD PLAN REFERENCE: E3136
TITLE:	Future management of Radstock Library building	
WARD:	Radstock	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Appendix 1: Radstock Town Council’s Draft Business Plan Appendix 2: Draft Heads of Terms for Community Asset Transfer		

1 THE ISSUE

- 1.1 This report relates to Radstock Library, which is one of the five branch libraries currently operated by the Council. As part of the Council's Modern Libraries Programme which includes an approved model for Community Run Libraries in October 2017, it is proposed to transfer the property related costs to Radstock Town Council. The decision regarding the Library Service has already been approved as an Officer decision.
- 1.2 The proposal is fully in line with the Council's strategic objectives relating to Modern Libraries Programme and contributes towards the overall savings target of £700,000, at the same time as maintaining valuable library services to the community. It is a solution which demonstrates the Council working effectively with the local community group to find alternative solutions to delivering services.

2 RECOMMENDATION

The Cabinet Members are asked to delegate to the Head of Estates authority for;

- 2.1 completing the disposal of the Radstock Library premises into a final lease with Radstock Town Council in line with the draft Heads of Terms attached, subject to financial review.
- 2.2 abating the rent to a peppercorn subject to the Radstock Town Council satisfying the Council that they will use the premises for the purposes set out in their draft Business Plan.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 This proposal to lease the building to Radstock Town Council forms part of the Modern Libraries programme which will help deliver £700k of revenue savings over the next two years by 2020/21. It will release the Council's commitment to the five current branch Libraries as well as maintaining a valuable library services to the community.
- 3.2 Transferring the running costs to the Radstock Town Council will save the Council approximately £18,500 per year.
- 3.3 The maintenance liabilities will be the responsibility of the Town Council. The principles of this are set out in the draft Heads of Terms (Appendix 2) and the details will be agreed between the parties before the handover will take place.
- 3.4 A condition survey was carried out on the building in 2017. Some remedial repairs may be required, however these costs will be covered within existing budgets.
- 3.5 The non-cashable savings include;
 - Community benefit from the Town Council by joining up and delivering services in one place;
 - Provides resilience for the Library to remain open;
 - Enables the Council to target resources and activity to the most vulnerable and maintaining its statutory duty for delivering core library services.

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. The Council has committed to delivering three Core Libraries (Bath, Keynsham and Midsomer Norton) and by working more closely with local communities it can continue to deliver a comprehensive library offer which is tailored to the local community's needs.
- 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 The Royal Institution of Chartered Surveyors (RICS) is the governing body for Chartered Surveyors and they have set out guidance, specifically to deal with leases that are let at less than market value, that should be followed unless there are particular circumstances that mean that it is not appropriate. It 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 assessment requires:

- a full valuation exercise is undertaken which identifies 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.

4.4 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. 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 Council recently approved a Community Asset Transfer Policy. The Policy sets out the criteria for which community assets are considered including the need to protect the asset, investment required and community services offered. These proposals are in line with the criteria.

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 Estates, who otherwise has the delegated powers to enter into property transactions on behalf of the Council.

4.7 This disposal is not considered to constitute state aid.

5 THE REPORT

5.1 The Council’s decision to change the management arrangements of this building to Radstock Town Council are detailed below.

5.2 The Town Council have submitted a four year draft Business Plan (see appendix 1) alongside a full application under the Modern Libraries Programme. The application to run the library has been approved by an Officer Decision along with a start-up grant of £5,000. Radstock Town Council have raised their precept to cover the on-going costs.

5.3 The proposal includes maintaining the current level of library service. The Town Council aim to create a ‘Community Hub for Radstock’, primarily a library use and

which will include: continued assess to children's services, access to advice and information services such as CAB, PCSOs, Big Local, Tourist Information etc and a meeting space for community groups.

- 5.4 The draft Heads of Terms can be found in Appendix 2. These are subject to approval by the Town Council at their meeting on the 18th March 2019.
- 5.5 It is proposed that the lease term will be a four year period. This is aligned with the library agreement. The rent will be abated to a peppercorn, subject to the Town Council continuing to use the premises to deliver a library provision and in accordance with their draft Business Plan. A partnership agreement which sets out their commitment will form an appendix to the lease once agreed.
- 5.6 There are plans to create a new Healthy Living Centre in Radstock, the draft of which includes a space for a library. However funding has not been confirmed and therefore the four year lease for the existing library building, which will include appropriate termination clauses for both parties, provides a reasonable estimate for the development of a new building.
- 5.7 The assessment measured against the RICS Guidance criteria has identified the following:
 - the rental amount foregone is £10,300 pa, based on the most recent professional valuation.
 - the current running costs of Radstock Library is approximately £18,500 per annum. This excludes staffing costs.
 - the main benefits achieved from this proposal come from leveraging-in local knowledge, expertise, volunteering time and capacity within the local community. These are key aspects designed to ensure the library provision in this area is sustained for the long term benefit of the community. Radstock Town Council will utilise existing staff to manage the library as well as volunteers in the long term. They have allocated a budget to cover the running costs which have been estimated at £21,700 in the first year and subsequent years estimated at approximately £17,600.
 - in order to minimise the Town Council's overheads, they have planned to relocate their office into the library building.
 - in addition, there is further added community benefit as Bright Futures Children's Centre service will continue to deliver services from the location at no cost to the Council.
- 5.8 The transfer of the building will be in accordance with draft Heads of Terms and approved by Head of Estates in compliance with statutory responsibilities under s123 Local Government Act 1972, in pursuance of the recommendations and in accordance with normal practice.
- 5.9 Radstock Library is currently managed by customer service staff of the Council. The proposal is that the day to day running of the library will transfer to Radstock Town Council and the building itself will be leased. The Library service will be run by Town Council staff.

- 5.10 There will be on-going professional advice and support offered by the Council to all Community Run Libraries which will be met from existing budgets
- 5.11 This proposal is in line with the Council's Policy on Community Asset Transfers, the aim of which is to help secure community benefits in line with the Council priorities and objectives.

6 OTHER OPTIONS CONSIDERED

- 6.1 This option has been chosen as it supports the Council to implement its Modern Libraries Programme and achieve the overall savings target.
- 6.2 It provides the community with a valuable resource and helps to maintain a valued library service.

7 CONSULTATION

- 7.1 The Modern Libraries Programme has been extensively discussed by the Council. Locally there have been requests made for appropriate groups to come forward and offer these services. These have also been discussed at open public meetings within the local community.
- 7.2 Staff have been consulted on the options and are involved in developing and supporting the community run library approach.
- 7.3 Radstock Town Council have informed the local community about their proposals which has been evidenced in their draft Business Plan.

8 RISK MANAGEMENT

- 8.1 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	Tracey Long, Head of Digital and Customer Services Richard Long, Head of Estates
Background papers	Modern Libraries Programme https://democracy.bathnes.gov.uk/ieDecisionDetails.aspx?ID=1030 Community Asset Transfer Policy - February 2019 https://www.bathnes.gov.uk/services/neighbourhoods-and-community-safety/connecting-communities/community-asset-transfers RICS Guidance Disposal of Land at less than best Consideration https://democracy.bathnes.gov.uk/documents/s34180/Appx%201%20RICS%20Local%20Authority%20Asset%20Management%20Best%20Practice%2007%20Disposal%20of%20Land%20at%20

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