

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 4 th May 2019	EXECUTIVE FORWARD PLAN REFERENCE:
		E3137
TITLE:	Future management of Moorland Road Library building	
WARD:	Westmoreland	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1: Moorland Road Business Plan		
Appendix 2: Heads of Terms for Community Asset Transfer		

1 THE ISSUE

- 1.1 This report relates to Moorland Road 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 Moorland Road Community Library (Bath) an independent charitable organisation. 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 overall strategic objectives relating to modern library 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 Moorland Road Library into a final lease with Moorland Road Community Library in line with the Heads of Terms attached.
- 2.2 abating the rent to a peppercorn subject to the Moorland Road Community Library satisfying the Council that they will use the premises for the purposes set out in their Business Plan.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 This proposal to lease the building to Moorland Road Community Library (Bath), 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 while still maintaining a valuable library services to the community.
- 3.2 Transferring the running costs to the Moorland Road Community Library will save the Council approximately £36,000 per year, this also includes staffing costs.
- 3.3 A lease of 15 years will be granted. The maintenance liabilities (both internally and externally), including all plant and machinery, will remain the responsibility of the Council during the term of the lease. However, the Council will be under no legal obligation to put the building into any better condition than existed at the commencement of the term.
- 3.4 The transfer will take place on the basis of the current condition of the building which is considered to be fair. Some works may be required in order to maintain operating standards. The Council will reserve the right to terminate the lease if at any time during the lease term the individual or combined costs of any remedial work, within any financial year, exceed 50% of the economic value of the building. The last survey undertaken in September 2017 valued the building at £82,000.
- 3.5 The rationale for offering a lease with these terms has been based upon the limited options available for the group to find alternative income sources due to the size limitations of the building.
- 3.6 The lease terms offered for Community Run Libraries have been agreed on a case by case basis and do not imply similar arrangements will be offered to other organisations in the future.
- 3.7 The non-cashable savings include;
 - The local community will deliver community benefit through volunteering and other community activities;
 - 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 the disposal at less than market value which 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 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 Circular 06/03 The Local Government: General Disposal Consent (England) 2003 disposal of land for less than the best consideration that can reasonably be obtained apply 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. The proposal is in line with these objectives.
- 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 Moorland Road Community Library (Bath) (MRCL) are detailed below.

5.2 MRCL have submitted a five year business plan (see Appendix 1) alongside a full application under the Modern Libraries programme. The application to run the library has been approved along with a start-up grant of £5,000. In addition, MRCL have secured three years funding totalling £18,000 from the Bath Neighbourhood Community Infrastructure Levy (CiL) fund which will cover the on-going running costs.

5.3 The proposal includes maintaining the current level of library service, offering free internet access, participating in national library literacy schemes, running small groups for children and a book club for adults as well as events and opportunities to hire the space to local groups and organisations.

5.4 The Heads of Terms can be found in Appendix 2. It is proposed that the lease term will be a fifteen year period. The rent will be abated to a peppercorn. This will be subject to MRCL continuing to use the premises to deliver the library provision and in accordance with a partnership agreement that will be an appendix to the lease agreement.

5.5 Some remedial repairs may be required on the building however this will be covered within existing budgets. All on-going maintenance costs will remain the responsibility of the Council.

5.6 The assessment measured against the RICS Guidance criteria has identified the following:

- the rental amount foregone is £3,000 pa, based on the most recent professional valuation.
- the current costs of Moorland Road Library is approximately £36,000 per year, including staffing and running costs.

5.7 Given that there is a net benefit to the Council of £33,000 from this proposal, and that the proposal put forward by Moorland Road Community Library facilitates the future library services as well as other community activities, it is considered that this delivers sufficient social, economic and environmental benefits to meet the test set out in paragraph 4.4 above in relation to the General Consent Order.

5.8 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. It is anticipated that within its first year of operations, the cost of volunteer hours to run the library would be in excess of £39,000. MRCL's business plan sets out the social, economic and environmental benefits that will be delivered.

- 5.9 The transfer of the building will be in accordance with 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.
- 5.10 Moorland Road 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 MRCL and the building itself will be leased.
- 5.11 This proposal is in line with the Council's policy regarding 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 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.

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 MRCL have undertaken their own consultation with the local community about their proposals which has been evidenced in their 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%20less%20than%20Bes.pdf>

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