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**LIBRARY CALL-IN**

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**Purpose of Report**

1. To provide information in response to the call-in request (**attached**)

**Background**

2. Cabinet at its meeting on 17 January 2017 considered a report, the Library Service, and resolved to agree the following recommendations :-
  - (a) *Members approve the Assessment of Local Need.*
  - (b) *Members approve the Library Plan for 2017 -2021 for referral to Council for approval.*
  - (c) *The Central Library Service is relocated from Crown Street to the Dolphin Centre, as set out in this report.*
  - (d) *Subject to Council confirming the allocation of £1.7m to relocate the Central Library service to the Dolphin Centre, Cabinet approve the release of these funds.*
  - (e) *The procurement of this scheme to be delivered in accordance with the Contract Procedure Rules by the Council's Building Services Division and that the procurement is designated as non-strategic.*
  - (f) *Cockerton Library becomes a community run library supported by the library service as set out in this report and (subject to due diligence):*
    - (i) *A lease is granted to the Cockerton Library Cooperative,*
    - (ii) *Funding of £75,000 is allocated to support the Cockerton Library Cooperative in total over 5 years.*
    - (iii) *The sum of £10,000 to be allocated for repairs to the windows at Cockerton Library*
  - (g) *The Mobile Library Service is discontinued.*

(h) *The Director of Neighbourhood Services and Resources, in consultation with the Portfolio Holder for Leisure & Local Environment be given delegated authority to implement the decisions set out above,*

3. *That any matters agreed by Cabinet (as set out above) are not implemented until:-*

(a) *Council has had the opportunity to consider and debate the library proposals.*

(b) *Council approve the Library Plan for 2017 - 2021.*

(c) *Council confirms the allocation of a capital sum of £1.7million to relocate the Central Library to the Dolphin Centre.*

4. The attached call-in request was received on 24 January 2017 and this report has been prepared to provide information in advance of the meeting.

### **Responses to reasons for call-in**

5. Set out in the following paragraphs are responses to the reasons for call-in as detailed in the attached document.

#### **(a) The detailed calculations of the costs of the library remaining in Crown Street**

The estimated savings from modernising the Crown Street building and the service are £163,000 as detailed in the report; this is made up as follows:-

Staffing	£ 150,000	using similar approach as at the Dolphin Centre
Supplies & Services (including books)	60,000	The same as at the Dolphin Centre
Less Capital Financing Costs on £800,000 capital expenditure	(47,000)	
	<u>163,000</u>	

The saving compares to the £310,000 (£147,000 more) saved by the relocation to the Dolphin Centre. As previously explained there are non-financial benefits of the relocation however given the nature of the call in this report deals only with the resources issues.

The main reason for the greater savings for the relocation to the Dolphin Centre are:-

Removal of Crown Street annual running costs	£ 120,000
Additional staff saving due to design of Dolphin Library, lone working requirements of Crown Street and removal of building management responsibilities for library staff as these will be	70,000

covered by Dolphin Management

Offset by greater capital financial costs and additional Storage Costs	(18,000)
	<u>(20,000)</u>
	<u><b>152,000</b></u>

The estimated capital costs of £800,000 are to cover:-

- Roof Repairs
- Redesign Building Works
- Floor and Wall Décor
- Furniture
- Establishing a café

These are estimated and no fully costed work has been undertaken on the draft plans however it is our view £800,000 may well be on the low side and given the nature of the building there may well be more significant costs in the future.

Further detailed costly design and survey work was not undertaken as it was clear that the financial case of the relocation was clearly better than remaining at Crown Street. It could be suggested that if less than £800,000 was spent, the Crown Street option could look more financially attractive but even if no investment is put into the Library (and this is not possible as all the staff savings could not be achieved), the Crown Street saving would be £210,000 compared with the relocation option of £310,000. Therefore the financial case is in favour of the relocation option.

#### **(b) A risk analysis of the proposed amalgamation of the library and the Dolphin Centre**

Set out below are the financial/resources risks associated with the proposal for consideration:-

- (i) Loss of income to the Dolphin Centre due to the library affecting usage – LOW RISK – likely to increase usage
- (ii) Catering income reduces due to Library being located in the Dolphin Centre – LOW RISK likely to increase usage
- (iii) Service demand for the Library grows to such an extent it cannot be met from existing resources – LOW/MEDIUM level risk. If this occurs, the service demands would need to grow significantly, if it did, it could be managed by restricting supply but clearly that would be a Member decision.
- (iv) Capital Project cost over runs therefore reducing annual savings – LOW risk Robust estimates and contract management in place.

#### **(c) A preliminary report detailing plans and actions to ensure the library building remains in good order for public use. This report being part of any subsequent approval of the relocation of the library.**

The future use of the building is subject to a Trustee decision which will only be made if the service is relocated but if as anticipated it is sold then the maintenance of the

building will transfer to the new owner who will be restricted by the listing of the building in terms of what changes can be made and standards of maintenance required.

At this stage, it is not possible to guarantee it for public use; the type of use a purchaser puts the building to will determine access for example, if the voluntary sector purchased it for office use there would not be general public access.

Any decision on the future of the building as stated is subject to the Trust and then subsequent consultation with the Charity Commission and the public, therefore, at this stage it is not possible to make any firm commitments about its future use and as explained in the report to Cabinet the decisions Cabinet and Council are being asked to take relate to the service and not the building itself. The time for considering how the building is to be used in the future will be subject to future consultation after a Trust decision.

For information the ongoing cost of maintaining a vacant Crown Street building are estimated to be £23,000 per annum.