



LEAD MEMBER FOR RESOURCES

TUESDAY, 16 JULY 2019

3.00 PM COMMITTEE ROOM - COUNTY HALL, LEWES

DECISIONS to be made by the Lead Member for Resources, Councillor Nick Bennett

A G E N D A

- 1 Decisions made by the Lead Cabinet Member on 25 June 2019 (*Pages 3 - 6*)
- 2 Disclosure of Interests
Disclosure by all Members present of personal interests in matters on the agenda, the nature of any interest and whether the Members regard the interest as prejudicial under the terms of the Code of Conduct
- 3 Urgent items
Notification of any items which the Lead Member considers urgent and proposes to take at the appropriate part of the agenda.
- 4 Polegate Community Library (*Pages 7 - 16*)
Report by the Director of Communities, Economy and Transport
- 5 Any urgent items previously notified under agenda item 3

PHILIP BAKER
Assistant Chief Executive
County Hall, St Anne's Crescent
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8 July 2019

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LEAD MEMBER FOR RESOURCES

DECISIONS made by the Lead Member for Resources, Councillor Nick Bennett, on 25 June 2019 at County Hall, Lewes

Councillor Philip Daniel spoke on item 4 (see minute 3)

1 DECISIONS MADE BY THE LEAD CABINET MEMBER ON 26 MARCH 2019

1. The Lead Member approved as a correct record the minutes of the meeting on 26 March 2019.

2 REPORTS

- 2.1 Reports referred to in the minutes below are contained in the minute book.

3 PETITION RELATING TO THE OPERATION OF RINGMER SWIMMING POOL FOR COMMUNITY USE

- 3.1 The Lead Member considered a report by the Chief Operating Officer.
- 3.2 Mr Chris Bowers and Mr Tony Parker spoke about the aims of the petition.

DECISION

- 3.3 The Lead Member RESOLVED to inform the petitioners that: (1) there is a contract in place up to March 2020 to deliver the current service at Ringmer Swimming Pool;

- (2) East Sussex County Council has in place a very structured and well-informed annual process to ensure that available resources are prioritised to support the key priorities of the Council; and

- (3) East Sussex County Council:

- a. Is not able to guarantee that Ringmer Swimming Pool will remain open as it considers funding decisions as part of an annual prioritisation process,
- b. are reviewing arrangements post March 2020 as there is a need for new contract arrangements,
- c. Agree that any proposed changes that may impact on community availability would be subject to consultation and this would include all relevant stakeholders.

Reasons

- 3.4 The provision of leisure services is not a responsibility of County Councils and therefore as part of the consideration of future arrangements the County Council will be engaging with interested stakeholders about options for the operation of the swimming pool post the current contract extension of March 2020.

- 3.5 Any consideration of options for how Ringmer swimming pool is managed post the current contract will be part of the County Council's annual prioritisation process and any potential changes will be considered through a formal engagement and consultation process.

4 BALLOON RELEASES

4.1 The Lead Member considered a report by the Chief Operating Officer.

DECISION

4.2 The Lead Member RESOLVED to (1) agree to banning the release of balloons on Council owned and leased land and buildings; and

(2) delegate authority to the Chief Operating Officer to take any action they consider appropriate to give effect to or in consequence of (1) above.

Reasons

4.3 Several organisations, such as the Marine Conservation Society, RSPCA and the National Farmers Union support a ban. In October 2014 the Council agreed to ban the release of sky lanterns on Council owned land, and has recently received a query from the RSPCA regarding balloons. Lewes District Council, among others nationally, have introduced a ban on the release of balloons on their estates.

5 ISABEL BLACKMAN CENTRE, WINDING STREET, HASTINGS

5.1 The Lead Member considered a report by the Chief Operating Officer.

DECISION

5.2 The Lead Member RESOLVED to (1) declare the property known as Isabel Blackman Centre, Hastings, surplus to the County Council's operational requirements; and

(2) delegate authority to the Chief Operating Officer to secure best value terms for a disposal, in accordance with s123 of the Local Government Act 1972.

Reasons

5.3 The Property offers no future operational use and whilst vacant would continue to incur costs for security and maintenance. The County Council is not in a position to lease the flat above the centre separately without incurring security of tenure and right to buy, and would require refurbishment. The capital receipt will contribute to the funding for the Capital Programme.

6 FUTURE DIRECTION FOR ORBIS PUBLIC LAW

6.1 The Lead Member considered a report by the Assistant Chief Executive.

DECISION

6.2 The Lead Member RESOLVED to (1) agree to the proposed direction of travel for the partnership as set out in the report;

(2) delegate authority to the Chief Executive to amend or enter in any agreements necessary to give effect to this; and

(3) approve the dissolution of the Joint Committee.

Reasons

6.3 The enhanced collaborative arrangement will require an amendment to the Inter Authority Agreement. As there is no longer an intention to integrate the services and each authority will retain its own service, the Joint Committee can be dissolved and the services are overseen by the arrangements within the sovereign bodies as previously.

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Report to: **Lead Member for Resources**

Date: **16 July 2019**

By: **Director of Communities, Economy and Transport**

Title of report: **Polegate Community Library**

Purpose of report: **To seek Lead Member approval to grant a full repairing and insuring lease to Polegate Community Library CIO on a peppercorn rent for a three year period, in order to operate a Community Library in the former Polegate Library building.**

RECOMMENDATION: **The Lead Member is recommended to:**

1) approve the granting of a full repairing and insuring lease to Polegate Community Library (PCL) Charitable Incorporated Organisation (CIO) on a peppercorn rent for a three year period, with a break clause after year two for ESCC (with six months' notice), in order to operate a Community Library in the former Polegate Library building; and

(2) delegate authority to the Chief Operating Officer in consultation with the Director of Communities, Economy and Transport to agree the terms for the lease.

1 Background Information

- 1.1 At its meeting of 6 March 2018, Cabinet approved the revised Libraries Strategic Commissioning Strategy, following a 12 week period of public consultation. As part of the overall Strategy, Langney, Mayfield, Ore, Pevensey Bay, Polegate, Ringmer and Willingdon libraries and the Mobile Library closed on 5 May 2018.
- 1.2 Cabinet agreed to give delegated authority to the Director of Communities, Economy and Transport, in consultation with the Assistant Chief Executive, to consider any viable community proposals to take over the running of the seven closed libraries or the Mobile Library, and to enter into appropriate agreements on behalf of ESCC. Community Libraries have since opened in Ringmer, Langney and Willingdon, and ESCC has sub-let the former Pevensey Bay Library to a community group for it to be run as a Community Library.
- 1.3 The decision was made by the Lead Member for Resources in June 2018 that ESCC would enter into a rent-free Service Level Agreement with Polegate Town Council (PTC), renewable annually for up to three years, in order to operate a Community Library on their behalf in the former Polegate Library building. Under this Agreement, PTC would have paid ESCC for all staffing and running costs to operate the library with the same services and facilities as ESCC Libraries.
- 1.4 PTC informed ESCC in February 2019 that they no longer wished to progress with a Service Level Agreement and proposed that a Community Library in the former Polegate Library building was operated by Polegate Community Library (PCL), which has been formed from a management group that was exploring Community Library options for PTC. PTC has agreed to provide some initial funding to cover the one-off costs for the setting up of the Community Library and towards the operating expenses for the first three years of operation.

- 1.5 The revised proposal ESCC has now received is for PCL to operate a volunteer-run Community Library independently of ESCC with a fully-repairing and insuring five year peppercorn lease arrangement for the building, a selection of stock, and the fixtures and fittings currently in the library. It is noted that the new proposal is for five years whereas the original proposal was for three years.

2. Supporting information

- 2.1 PCL is being set up as a charitable incorporated organisation, a CIO. Its proposal is to create a volunteer-led Community Library in the former Polegate Library building in Windsor Way, Polegate BN26 6QF. As with all of the Community Libraries, this would not be part of ESCC's statutory library provision and would not be branded as an ESCC library. The freehold of the former Polegate Library building is owned by the County Council. A location and site plan are provided as Appendix 1. PCL have proposed a fully-repairing and insuring peppercorn lease arrangement for the building and a selection of stock, and the fixtures and fittings currently in the library, for five years.
- 2.3 It is estimated that the site of the former Polegate Library has a freehold value of approximately £400,000 with planning permission for three pairs of three bedroom semi-detached dwellings. The existing building has a potential annual rental income of around £15,000. This would also require planning permission for change of use, and the types of commercial uses for which planning permission would be granted may be limited, given the largely residential surroundings. In line with the decisions for other Community Libraries, it is not proposed that ESCC charges a rent for the building for the duration of the initially agreed lease period.
- 2.4 The panel set up to evaluate the Community Library proposals (comprising the Director of Communities, Economy and Transport and the Assistant Chief Executive) has reviewed the proposal and its supporting business case, and assessed it to be viable. A copy of the panel's evaluation report is attached as Appendix 2.

3. Conclusions and reasons for recommendations

- 3.1 Granting a three year peppercorn lease to PCL to operate a Community Library in the former Polegate Library building would represent a potential loss of rental income to the County Council of approximately £45,000 over the three year period. Granting the lease instead of an immediate sale of the site would defer a capital receipt of around £400,000. However, the option would remain for the County Council at the end of the lease period to sell the freehold or to consider an alternative use of the site. Given that the Polegate Library site is a relatively large site which would (subject to planning permission) enable it to accommodate a range of future uses, it is recommended that both parties fully recognise that beyond three years alternate building provision may be required for the Community Library, with the County Council having no obligation to provide or fund the same and to be able to deal with its asset without compromise or call on funds. It is therefore recommended that a three year lease is granted due to the value of the site and potential for future uses.
- 3.2 The Polegate Community Library proposal would provide social value to the community in Polegate and is judged by the evaluation panel to be viable. Granting a short-term peppercorn lease is in line with the Cabinet decision of 6 March 2018.
- 3.3 It is therefore recommended that the Lead Member for Resources approves the granting of a full repairing and insuring lease to PCL on a peppercorn rent for a three year period, with a break clause after year two for ESCC (with six months' notice), in order to operate

a Community Library in the former Polegate Library building, and agrees to enter into an arrangement for a selection of stock, fixtures and fittings to be loaned to PCL free of charge for the duration of the peppercorn lease. It is further recommended that the Lead Member for Resources delegates authority to the Chief Operating Officer in consultation with the Director of Communities, Economy and Transport to agree the terms for the lease.

RUPERT CLUBB

Director of Communities, Economy and Transport

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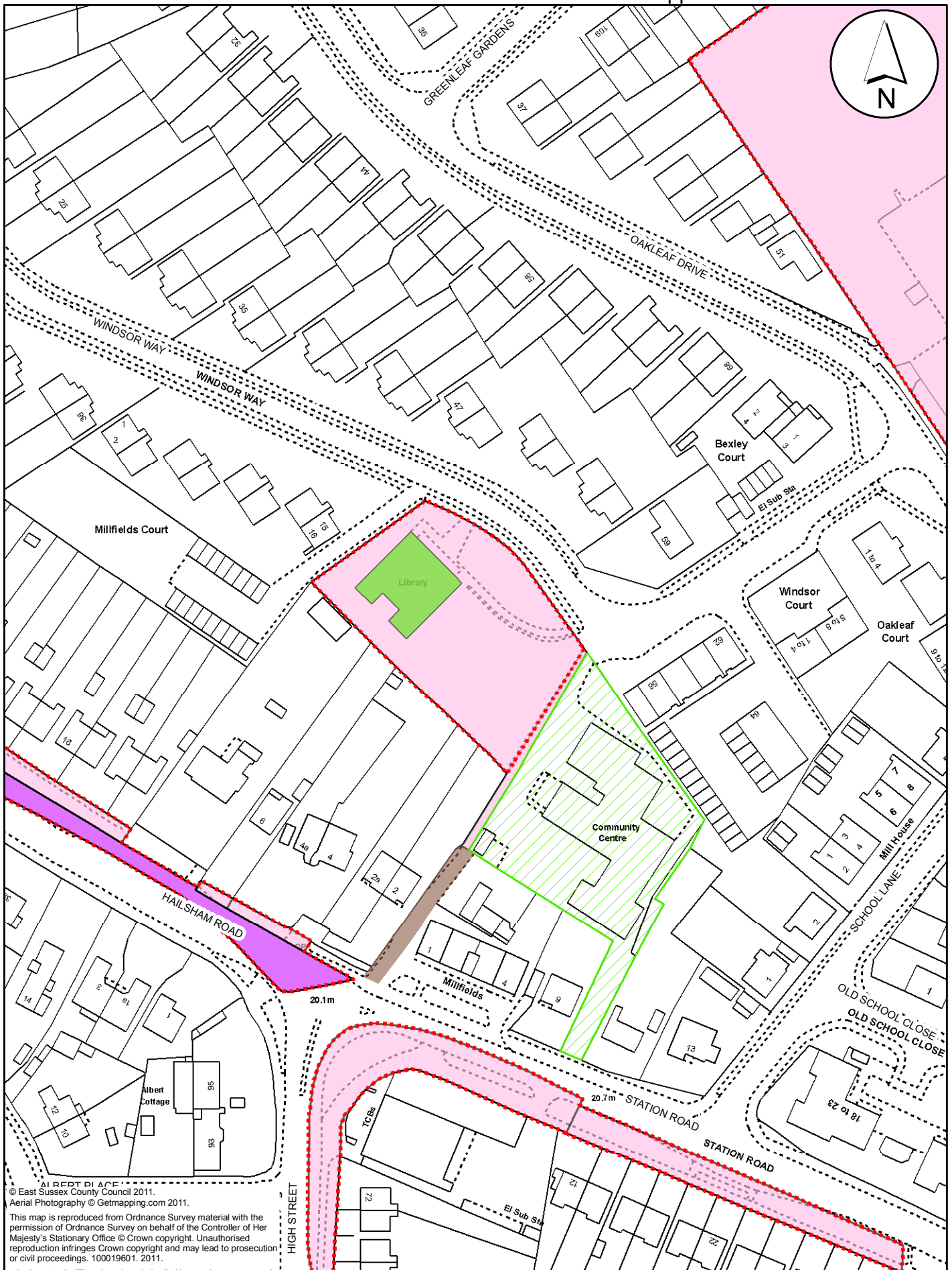
LOCAL MEMBERS

Councillor Daniel Shing

BACKGROUND DOCUMENTS

Update on the Libraries Transformation Programme – revised Libraries Strategic Commissioning Strategy, 2018/19 to 2022/23, Report to Cabinet 6 March 2018.

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Map Title: Polegate Library

Date: 21 March 2013

Scale: 1:1,250

Map No: TQ5805SW

Author: RP
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East Sussex County Council
County Hall
St Annes Crescent
Lewes



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Community Library Proposals

Evaluation of Proposal and Recommendation

Name of Library	Polegate
Community Organisation	Polegate Community Library (PCL)
Type of Organisation	Charitable Incorporated Organisation (CIO) - proposed
Summary of Proposal	<p>ESCC owns Polegate Library. In 2018 the Panel recommended approval to the Lead Member for Resources for a proposal from Polegate Town Council (PTC) to fund ESCC for three years to continue to operate the Library as it was whilst it was part of the Library and Information Service. This would have entailed ESCC operating under an SLA to the Town Council, providing all of the key elements of the current service, including staffing, stock, People's Network computers etc. This proposal was agreed by the Lead Member for Resources on 21 June 2018.</p> <p>Since the decision was taken by Lead Member, ESCC has been in discussion with PTC about taking the proposal forward, and a considerable amount of preparation work has been undertaken, including production of a draft SLA. However, at the end of February PTC advised us that they had agreed not to go ahead with the SLA. Instead, they were supporting a management group that had been set up by PTC to explore all of the options for the library. This management group would be known as Polegate Community Library (PCL) and would establish a CIO to run the library on PTC's behalf, and for PTC to act as guarantors.</p> <p>The revised proposal ESCC has now received is for PCL to operate a volunteer-run community library independently of ESCC with a fully-repairing and insuring five year peppercorn lease arrangement for the building, a selection of stock, and the fixtures</p>

and fittings currently in the library. Note that the new proposal is for five years whereas the original proposal was for three years.

ESCC spent approx. £15,000 per annum running the library (excluding staff costs). The estimated running costs for the proposal are £21,532 for Year 1, £27,839 for Year 2 and £15,563 for Year 3. PCL's costs are higher because they include an element of capital expenditure.

Costs are expected to be met in part by a grant from PTC in Years 1 – 3 (£17,000 in Years 1 & 2, £10,000 in Year 3) whilst other grants and funding are applied for. A letter of intent from Polegate Town Council is included in the proposal.

The CIO are expecting to raise a minimum of £3,000 in additional grants by the end of year 1, increasing to £10,000 in years 2 and 3.

CIO status would reduce the annual expenditure by £6,122 through the claiming of 100% relief in business rates.

All setup costs (e.g. Computer hardware), would be a one-off. The net cash-flow in Year 1 is expected to be £573, increasing to over £6,000 in Year 3.

There is an assigned budget of £10,000 for repairs/renewals in Year 2.

The aim is for PCL to be self-sufficient by the end of Year 3.

It is assumed that any shortfall between income and expenditure would be managed by limiting the capital expenditure to the available budget.

Property issues

This is an ESCC owned building. In 2017, the Head of Property Operations advised that the site had a value of approximately £400k, with planning permission for three pairs of 3 bedroom semi-detached dwellings and the building had a potential annual rental income of £15k, again subject to planning permission. Any decision to grant a peppercorn lease to PCL instead of an immediate

sale of the site would therefore defer a capital receipt to ESCC and result in a loss of potential rental income of £15k per annum.

It was also noted in 2018 whilst the original proposal for a Community Library was being considered, that the Polegate Library site is a relatively large site which would (subject to planning permission) enable it to accommodate a range of future uses, and that several alternate and competing proposals for the site (housing, medical, community etc.) had been mooted.

This would leave ESCC with the option at the end of the lease period to sell the freehold or to consider an alternative use of the site. Given that, it was recommended that both parties fully recognise that beyond any agreed lease term, alternate building provision may be required for the Community Library, with ESCC having no obligation to provide/fund same and able to deal with its asset without compromise or call on funds. It was therefore recommended that any lease would be granted to exclude security of tenure.

ESCC's Property Team advise that nothing has changed substantively in terms of the advice given when the initial proposal was considered by the Panel in 2018.

The view of the Head of Customer and Library Services is that a three year fully-repairing peppercorn lease (as opposed to the five year lease proposed by PCL) would be preferable. This would recognise that this is a valuable site, in which there appears to be most interest for future uses. This is in line with the initial proposal from PTC, recognising also that almost a year has elapsed since June 2018 when Lead Member approved entering into a lease for the original proposal.

Property note that we seek to generate appropriate value returns from all retained assets, so it cannot be simply assumed we will agree to a nominal rent beyond a given/agreed period.

Recommendation

The Head of Customer and Library Services has evaluated the proposal and considers that it is sound and consistent with the Cabinet decision on Community Libraries of 6 March 2018. The Panel is recommended to:

- (i) consider whether it feels that a three year fully-repairing peppercorn lease or a five year fully-repairing peppercorn lease with a six month break clause any time after the third anniversary would be more appropriate than the five year peppercorn lease proposed by PCL, and;
- (ii) having considered the appropriate length of the peppercorn lease, to endorse the proposal subject to the lease period in (i) above which is deemed most appropriate and;
- (iii) endorse the proposal to enter into an arrangement for a selection of stock, fixtures and fittings to be loaned to PCL free of charge for the duration of the peppercorn lease.

Panel Decision

The Panel endorses the granting of a full repairing and insuring lease to the Polegate Community Library (PCL) Charitable Incorporated Organisation (CIO) on a peppercorn rent for a three year period, with a break clause after year two for ESCC (with six months' notice), in order that PCL may operate a Community Library in the former Polegate Library building.

The Panel further endorses the proposal to enter into an arrangement for a selection of stock, fixtures and fittings to be loaned to PCL free of charge for the duration of the peppercorn lease.