



LEAD MEMBER FOR RESOURCES

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

TUESDAY, 15 OCTOBER 2019 AT 2.00 PM

COMMITTEE ROOM - COUNTY HALL, LEWES

AGENDA

- 1 Decisions made by the Lead Cabinet Member on 20 September 2019 (*Pages 3 - 4*)
- 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 Ore Community Library (*Pages 5 - 14*)
Report by the Director of Communities, Economy and Transport
- 5 Any urgent items previously notified under agenda item 3

PHILIP BAKER
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7 October 2019

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LEAD MEMBER FOR RESOURCES

DECISIONS made by the Lead Member for Resources, Councillor Nick Bennett, on 20 September 2019 at County Hall, Lewes

Councillor Godfrey Daniel spoke on item 4 (see minute 16)

14 DECISIONS MADE BY THE LEAD CABINET MEMBER ON 25 JULY 2019

14.1 The Lead Member approved as a correct record the minutes of the meeting held on 25 July 2019.

15 REPORTS

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

16 HELENSWOOD UPPER SCHOOL SITE, HASTINGS

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

DECISIONS

16.2 The Lead Member RESOLVED to (1) enter into a legal agreement for ESCC to accept a surrender of the current 125 year leasehold interest held over two Ark Helenswood Academy school sites – known as Upper and Lower sites;

(2) authorise the simultaneous re-grant of a new 125 year interest on the Lower school site to Ark Alexandra;

(3) declare the Helenswood Upper site surplus to requirements to County Council functions and enter into the simultaneous transfer of the County Council's freehold of the Upper site to the Secretary of State, to facilitate the provision of a new Free special school - with ESCC retaining clawback and overage benefits on future land sales or development for non-education uses; and

(4) Delegate authority to the Chief Operating Officer to conclude terms in accordance with s. 123 of the Local Government Act 1972.

Reasons

16.3 The County Council has been very supportive of, and has sought to facilitate, the evolving changes arising from the Ministerial decision to merge the Helenswood and William Parker colleges. In addition it has supported the Department in their delivery issues for their Free school requirements where possible.

16.4 Against this background, there has been no desire by the County Council to accept, nor impose, risk or any financial burden on its own taxpayers by taking back the full risks of an empty school, its buildings and/or wider site. The proposal to transfer the freehold for a nominal figure, but with future clawback, is assessed against the current value of the County Council's interest (freehold but subject to a 125 year lease at the rent of a peppercorn). Whilst it is normal practice to consider the value released by reconfiguring /releasing legal interests (often known

as marriage value) this is offset against the high cost, and risks, if the site were returned fully to County Council control.

17 PROCUREMENT OF SUPPLY OF GAS AND ELECTRICITY

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

DECISIONS

17.2 The Lead Member RESOLVED to (1) agree to procure the supply of gas and electricity for Council assets from the Crown Commercial Services Supply of Electricity and Gas Ancillary Services Framework RM6011;

(2) agree to the recommendation for the supply of renewable electricity as part of these agreements; and

(3) delegate authority to the Chief Operating Officer to take any actions necessary to give effect to or in consequence of recommendations 1 and 2.

Reasons

17.3 The Council needs to provide a secure and value for money supply of gas and electricity for its assets and properties, including schools. On its own, the Council does not have the appropriate demand and leverage to gain an optimum price and value for this supply and will benefit from partnering with the two other Orbis partners and the Crown Commercial Services, who purchase for a majority of the public sector to achieve this.

17.4 With regard to renewable options, all Corporate Sites and Street Lighting electricity supply will be purchased as 100% renewable and schools are encouraged to follow suit from the start of the new supply arrangements (01 April 2020). The cost of this is largely offset by the cost avoidance achieved from the new basket strategy being adopted. The cost and benefit of purchasing renewable gas, by reviewing the cost from CCS, will be reassessed on a six monthly basis.

Report to: **Lead Member for Resources**

Date: **15 October 2019**

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

Title of report: **Ore Community Library**

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

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

1) approve the granting of a full repairing and insuring lease to Ore Community Library Group (OCLG) on a peppercorn rent for a three year period, in order to operate a Community Library in the former Ore 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. A decision has also been taken to grant permission for a group to run a community library in Polegate.

1.3 In June 2018, the decision was made by the Lead Member for Resources to approve a proposal from Ore Community Association (OCA) to lease the library building, stock, fixtures and fittings for three years. ESCC worked with OCA since that decision to bring the proposal to fruition. However, in June 2019 we reluctantly came to the view that we would not be able to progress with the proposal any further and OCA were informed of this decision.

1.4 ESCC invited further applications from the local community during the summer of 2019 and an application was received from Ore Community Library Group (OCLG), who wish to operate a volunteer-run community library independently of ESCC with a fully-repairing and insuring three year peppercorn lease arrangement for the building (owned by ESCC), a selection of stock, and the fixtures and fittings currently in the library.

2. Supporting information

2.1 OCLG intend to work towards charitable status. They are working closely with Hastings Voluntary Action (HVA). The proposal is to create a volunteer-led Community Library in the former Ore Library building in Old London Road, Ore, Hastings, East Sussex TN35 5BP. 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 Ore Library building is owned by the County Council. A location and site plan are provided as Appendix 1.

2.2 ESCC spent approx. £4,500 on running the library in 2017/18 (excluding staff costs, repairs and maintenance). OCLG's estimated running costs for the proposal are £8,879 for Year 1, £7,074 for Year 2 and £7,074 for Year 3. Setup costs for a library management system and IT are built into the Year 1 budget. Costs are expected to be met mainly by a grant from Big Local in Years 1 – 3 (£6,000 in Year 1, £5,000 in Year 2 and £4,000 in Year 3) whilst other grants and funding are applied for, as well as income from events and fund-raising. OCLG has funding of £2,072 from donations already received. The group intends to apply for business rate relief but, on a precautionary basis, has built the cost of rates into its budget for Years 1-3.

2.3 It is estimated that the site of the former Ore Library has a freehold value with planning permission for residential use of approximately £130,000. The annual commercial rental value of the building is estimated to be in the order of £6,000. 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 OCLG to operate a Community Library in the former Ore Library building would represent a potential loss of rental income to the County Council of £18,000 over the three year period. Granting the lease instead of an immediate sale of the site would also defer a capital receipt of around £130,000. 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, including a community asset transfer. 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.

3.2 The Ore Community Library proposal would provide social value to the community in Ore 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 OCLG on a peppercorn rent for a three year period, in order to operate a Community Library in the former Ore Library building, and agrees to enter into an arrangement for a selection of stock, fixtures and fittings to be loaned to OCLG 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 Laurie Loe


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: Ore Library - Site Plan			
Date: June 2018	Map No: OreLibrary120618		
Scale: 1:250	Author: PHS		

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Community Library Proposals

Evaluation of Proposal and Recommendation

Name of Library	Ore
Community Organisation	Ore Community Library Group (OCLG)
Type of Organisation	Will apply for charitable status
Summary of Proposal	<p>ESCC owns Ore Library. In 2018 the Panel recommended approval to the Lead Member for Resources for a proposal from Ore Community Association (OCA) to lease the library building, stock, fixtures and fittings for three years. This proposal was agreed by the Lead Member for Resources on 21 June 2018.</p> <p>ESCC worked with OCA since the decision was taken by Lead Member to bring the proposal to fruition. However, in June 2019 we reluctantly came to the view that we would not be able to progress with the proposal any further and OCA were informed of this decision.</p> <p>Further applications were invited from community groups and an application from OCLG was received. OCLG wishes to operate a volunteer-run community library independently of ESCC with a fully-repairing and insuring three year peppercorn lease arrangement for the building (owned by ESCC), a selection of stock, and the fixtures and fittings currently in the library.</p> <p>ESCC spent approx. £4,500 on running the library in 2017/18 (excluding staff costs, repairs and maintenance). The estimated running costs for the proposal are £8,879 for Year 1, £7,074 for Year 2 and £7,074 for Year 3. Setup costs for a library management system and IT are built into the Year 1 budget.</p> <p>Costs are expected to be met mainly by a grant from Big Local in Years 1 – 3 (£6,000 in Year 1, £5,000 in Year 2 and £4,000 in Year 3) whilst other</p>

grants and funding are applied for, as well as income from events and fund-raising e.g. a letter of support has been received from Gary Storer, Placemaking and Partnership Manager of the Orbit Group (social housing provider) who has offered financial support (subject to application and due diligence).

OCLG expect to raise £2,300 per annum from other grants and fund raising. In Year 1, they also have income of £2,072 from donations already received.

OCLG intend to apply for rates relief but have built the cost of rates into their budget for Years 1-3.

There is a forecast underspend of £1,733 in Year 1, £2,799 in Year 2 and £2,025 in Year 3.

There is evidence of local support for OCLG and letters of support have been received from:

- Carole Dixon, Chief Executive of the Education Futures Trust
- Gary Storer, Placemaking and Partnership Manager of the Orbit Group (social housing provider)
- Anna Locke, Coordinator, Ore in Bloom

Property issues

This is an ESCC owned building. ESCC's Interim Property Lead advises that the site has a value of approximately £130,000 and the building has a potential annual rental income of approximately £6,000, both subject to planning permission. The types of commercial uses for which planning permission would be granted may be limited, given the largely residential surroundings. Any decision to grant a peppercorn lease to OCLG 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.

A three year lease 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 is 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 is therefore recommended that any lease would be granted to exclude security of tenure.

The view of the Head of Customer and Library Services is that a three year fully-repairing peppercorn lease could be offered.

This enables ESCC to review the position in year two on the clear understanding that OCLG may be required to relocate from the site if required at the end of year three. In addition, Property note that we do 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) offer a three year fully-repairing peppercorn lease
- (ii) endorse the proposal to enter into an arrangement for a selection of stock, fixtures and fittings to be loaned to OCLG 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 Ore Community Library Group on a peppercorn rent for a three year period, in order that OCLG may operate a Community Library in the former Ore 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 OCLG free of charge for the duration of the peppercorn lease.

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