

Report to: Lead Member for Resources

Date: 21 June 2018

By: Director of Communities, Economy and Transport

Title of report: Pevensey Bay Community Library

Purpose of report: To seek Lead Member approval to grant, subject to landlord approval, a full repairing and insuring sub-lease to Volunteers Network CIC in order to operate a Community Library in the former Pevensey Bay Library building.

RECOMMENDATION: The Lead Member is recommended to:

(1) approve, subject to landlord approval, the granting of a full repairing and insuring sub-lease to Volunteers Network CIC on a fixed annual rent of £26 for a five year period, in order to operate a Community Library in the former Pevensey Bay 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 sub-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.

2. Supporting information

2.1 Volunteers Network CIC was established in 2016 and runs a community hub in Eastbourne town centre. Its proposal is to create a volunteer-led Community Library in the former Pevensey Bay Library at Wallsend House, Richmond Rd, Pevensey Bay, Pevensey BN24 6AU. 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 property is held by ESCC under a 99 year lease from a private landlord at a fixed rent of £26 per annum. The lease commenced in 1965 and provides the ability to sub-let or assign and change use with the landlord's permission. A location plan is provided as Appendix 1.

2.2 Volunteers Network CIC have proposed that the current lease is either assigned or sub-let to them on a fully repairing and insuring basis, inclusive of a selection of stock, and the fixtures and fittings currently in the library. Their proposal is for a five year period.

2.3 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.

2.4 ESCC has several alternative options with regard to its lease (other than sub-letting or assigning the lease to a Community Library group), including a negotiating a surrender of the lease to the Landlord, (with the landlord paying a premium), sub-letting to an authorised user at a market rental and assignment of the lease to a third party.

2.5 Of these options, sub-letting to an authorised user at a market rental, suggested at £10,000 - £12,000 per annum, is likely to yield the greatest financial return over the longer term. This would be subject to planning permission and landlord permission, and it is acknowledged that market demand for this lower ground level site may be low.

3. Conclusions and reasons for recommendations

3.1 Granting a five year sub-lease to Volunteers Network CIC to operate a Community Library in the former Pevensey Bay Library building would represent a potential loss of rental income to the County Council of £50,000 - £60,000 over the five year period. However, the option would remain for the County Council at the end of the lease period to consider alternative options with regard to its leasehold interest in the property. A sub-letting arrangement (as opposed to assigning the lease to Volunteers Network CIC) would mean that ESCC would retain the Head Lease and the occupant would not be able to realise any capital or commercial value in the property.

3.2 The Volunteers Network CIC's proposal would provide social value to the community in Pevensey Bay and is judged by the evaluation panel to be viable. Granting a short-term sub-lease at the current rent is in line with the Cabinet decision of 6 March 2018.

3.3 It is therefore recommended that Lead Member for Resources approve, subject to landlord approval, the granting of a full repairing and insuring sub-lease to Volunteers Network CIC on a fixed annual rent of £26 for a five year period, in order to operate a Community Library in the former Pevensey Bay Library building and delegate authority to the Chief Operating Officer in consultation with the Director of Communities, Economy and Transport to agree the terms for the sub-lease.

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LOCAL MEMBERS

Councillor Tom Liddiard

BACKGROUND DOCUMENTS

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