

Community Library Proposals

Evaluation Panel Report

Name of Library	Willingdon
Community Organisation	Willingdon and Jevington Parish Council
Type of Organisation	Parish Council
Summary of Proposal	<p>Willingdon and Jevington Parish Council (WJPC) wishes to operate a volunteer-run community library independently of ESCC with a fully-repairing and insuring five year peppercorn lease arrangement for the building (owned by ESCC), a selection of stock, and the fixtures and fittings currently in the library. It intends to set up a charity to run the library, which would take over from WJPC.</p> <p>ESCC currently spends around £11,000 on running the library (excluding staff costs). The estimated running costs for the proposal are approximately £9,000 per annum (WJPC anticipates reducing costs in a number of areas over time, including business rate relief with charity status and using volunteers for cleaning and minor repairs). WJPC would provide a grant to cover the full running costs of £9,000 in year one and expects running costs to decrease to around £6,500 for years two to five.</p> <p>Income projections are approximately £2,400 in year two, rising to around £6,000 in year five. This leaves a deficit of just under £4,000 in year two, falling to £700 in year five. WJPC would provide a grant to meet this deficit.</p> <p>An earmarked reserve of £15,000 has been set up to cover the first year of the project, which would provide a contingency towards any repair and maintenance costs for the building. An annual £1,000 contingency is also built into the running costs for the library.</p>

Property Issues

This is an ESCC owned building. The site has a freehold value for planning permission for residential use of approximately £100,000 - £125,000. The annual commercial rental value of the building is estimated to be in the order of £8,000 per year. 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.

It is recommended that ESCC grants WJPC a five year lease on a full repairing and insuring basis at a peppercorn rent for the purposes of library provision. The lease would be granted to exclude security of tenure, would be for the purposes of providing a Community Library only, and would exclude the possibility of further sub-letting or assignment of the lease to a third party. However it would permit WJPC to share legal occupation with a community interest group for the purposes of a library/community provision only.

Given the head lease would be granted at a peppercorn rent, the parties will not be allowed to charge a premium (or profit) from any subsequent transfer arrangement to a community interest group.

A proposal at nil rental acknowledges the opportunity cost of delaying a sale/possible capital receipt.

Panel Recommendation

The Panel assesses the proposal as viable and recommends granting a full repairing and insuring lease to Willingdon and Jevington Parish Council on a peppercorn rent for a five year period, to include building, stock/fixtures/fittings – List of assets to be agreed by the Head of Customer and Library Services and attached as a Schedule to the lease. The provisions noted in the 'Property issues' section above to be incorporated into the lease.