

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.**

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**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.**

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## **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.