

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.