

Cabinet – 27 July 2011

Bentley Community Library

Portfolio: Councillor Harris – Leisure and Culture

Service: Libraries and Heritage

Wards: Bentley and Darlaston North

Key decision: No

Forward plan: No

1. Summary of report

At the meeting of council on 11 July 2011 the following resolution was passed based on a notice of motion submitted by Councillor Madeley.

“Following an assurance by the portfolio holder for Leisure and Culture at the April meeting of Council that he would explore this issue, this Council now calls upon the Cabinet to give a commitment to commence the building process of the proposed new library at Bentley by using the slippage of finance included within the Capital Programme for this scheme.”

This report provides background information on the development of this project and advises cabinet on the implications of the council resolution.

The funding for the scheme is dependent on capital receipts raised from the sale of parcels of land around Bentley, the first of which will be marketed at the earliest in Autumn 2011. Until these sites are sold it is not possible to assess if these receipts would cover the cost of the new building. It is also not known at this stage what changes if any may be needed to the original scope and specification of the project to contain the development within whatever resources area available.

2. Recommendations

- 2.1 That cabinet reconsider the resources required for this project once the marketing of the associated sites in Bentley has been undertaken. This will provide greater reassurance than is available at present about the resources available for this project and the scale and type of development that could be afforded.
- 2.2 That a further report be brought back for cabinet approval, once the level of capital resources available for the scheme is known, with any proposed consequential changes to the original scope and specification of the project.

3. Background information

- 3.1 Bentley Library was closed at the end of April 2006 following the identification of health and safety issues in the old building. At that time, there was the intention to replace the old library with a new building containing a library and the Bentley Beginnings Nursery using the capital receipt from the sale of a number of parcels of council land around the centre of Bentley. Between late 2007 (following the completion of the Bentley Regeneration Framework Study) and early 2009, plans were drawn up for a new building at Bentley local centre. The building was intended to be catalyst for other regeneration activity and the council aspired to achieving a high quality designed building. Following a RIBA design competition architects Fashion Architecture Taste (FAT) were appointed and their design team worked with stakeholders to develop designs for the new building.
- 3.2 In mid 2010 a decision was taken to place the development of Bentley Community Library on hold; due to the downturn in the housing market that was likely to result in a lower than anticipated capital receipt to fund the construction of the new building.
- 3.3 There is cabinet approval (circa 2006) to use any funding raised from the sale of the following sites to fund the development of the new library:
- King Charles Avenue
 - Kent Road/ Churchill Road
 - Berkley Close
 - Wilkes Avenue Open Space
 - Covenant Value of former Clinic Site, Churchill Road
 - Covenant Value of the former Old Hall Public House, Churchill Road
- 3.4 In 2006, a budget of £2 million for the building was agreed. The estimated value from land sales, at that time, exceeded this budget. Over the period of design development, the costs of the library increased to £2.6 million, but this was deemed acceptable at the time, as the value of land was still likely to cover these costs.
- 3.5 As of 2009 the project had reached RIBA stage D and with some further work was ready to be submitted to planning; the project was estimated to cost £2.6m project (some £600,000 above the original project budget of £2m). However, at the stage the project was put on hold, land values had started to decrease in line with the national economic situation and housing market. The current estimated land value for the aforementioned sites is £2.05.million, resulting in a funding deficit towards the £2.6m project of £550,000. A substantial value engineering exercise would now need to be carried out to bring the project back to its original £2 million budget and there would still be a small shortfall of resources.
- 3.6 Until such time as the Bentley sites are successfully sold, it will not be known if, or how much, additional funding may be required to build the new library and indeed whether the project budget needs to change further. At present three outline residential planning applications have been made for Berkley Close, Kent Road and Wilkes Avenue to help facilitate the disposal of these council owned sites; these are due to go before the planning committee in August 2011. As the applications are to change currently designated open space in the Unitary

Development Plan (UDP) to residential then following planning committee the decision will be treated as a departure and referred to the Secretary of the State (SoS) via the National Planning Unit for agreement. They will have up to 21 days to confirm whether they agree with the decision notice or otherwise; should the latter be the case considerable delays may be incurred if a public inquiry is needed). Only after, and if, a decision is made by the SoS in favour of residential development will the council be in a position to market the sites with planning approval.

- 3.7 The three sites (Wilkes Avenue, Kent Road and Berkley Close) will be packaged along with Wilkes Avenue former residential care home to maximise the market interest in the sites. It is hoped that King Charles Avenue can be disposed of through an alternative route however the opportunity still remains for this site to be included in the package. Cabinet has previously given approval to the use of forthcoming receipts from the sale of Kent Road and Bentley Close to be reinvested in library project. There has been no such approval to the use of the likely receipt from the sale of Wilkes Avenue former residential care home, which is estimated to be worth £500,000.
- 3.8 Whilst council resolved to commence the construction of the library project it is not clear what the parameters of the project should now be. Limited capital resources will dictate the specification of the project. If the council were to continue with the original design proposed by architects FAT, the level of value engineering needed to bring the project back in line with the original £2m budget may not be achievable in which case a new design may need to be procured.
- 3.9 When the availability of capital resources becomes clearer the council would need to revisit the specification requirements of Library & Heritage Services, Bentley Beginnings Nursery and the other auxiliary space to see if requirements had changed and if they were still affordable. Each had design requirements within the original project but these may have changed since the project's inception.
- 3.10 The project costs have been met to date from Regeneration's capital programme with no expectation that these costs would have to be found from the total budget, similarly the cost of planning fees was proposed to be found from the same capital programme. Based on 2010 figures the estimated costs to complete stage D (including value engineering exercise) and submit the planning application was £58,456. Costs beyond RIBA stage D were however intended to be met within the £2.6m budget had the project proceeded. If any outstanding professional fees and the costs of the planning application were to be met from the new project budget this would reduce the actual construction budget further.

4. Resource considerations

- 4.1 **Financial:** The motion agreed at council implies that the council could finance the scheme from underspent capital resources, knowing that they would be replenished from the receipts from associated land sales. However as was reported to cabinet most of the capital slippage from 2010/11 is already committed as projects are either underway or are grant related and can only be used for specific purposes that have already been identified. The capital

programme for 2011/12 has already been approved and funding identified. Existing funding could be reallocated based on council priority, but this would need to be approved as a variation to the capital programme by Cabinet.

- 4.2 There is no longer a revenue budget apportioned to the running of Bentley Library; this was removed from the council's budgets following the closure of the library in 2006. Any new library in Bentley would have additional revenue implications for the service, in terms of staff, premises costs and stock. A library of similar size currently costs around £130,000 to operate and resource.
- 4.3 **Legal:** Should planning permission be granted for residential use, this will be treated as a departure from the Unitary Development Plan (UDP). This means that the Secretary of State can call in the decision and review with a view to determining if there should be an inquiry. If the secretary of state decides not to call in the application for an inquiry then the council can proceed to market the sites with planning permission.
- 4.4 **Staffing:** There are no staffing resources to operate a council run library from any such new provision and this would need to be the subject of a request to council for additional resources. An alternative model would be to seek to enter a partnership with a local community organisation to operate library services – something which is being considered currently as part of the strategic review of libraries.

5. Citizen impact

- 5.1 The work undertaken to deliver the regeneration projects set out in the Bentley Regeneration Framework (2006) have provided significant improvements to the local centre; new housing delivered in partnership with whg has brought about £16million of investment, and the council's investment of £680,000 in the public realm and highway infrastructure at Bentley shopping parade has improved the overall quality of the environment. The redevelopment of the further vacant and underutilised sites in the Bentley neighbourhood could continue to realise the regenerative benefits of this programme for the local community.

6. Community safety

None directly arising from this report

7. Environmental impact

None directly arising from this report

8. Performance and risk management issues

8.1 Risk

There is a risk of the council embarking on a major project without certainty of the resources needed.

8.2 Performance management

None directly arising from this report.

9. Equality implications

9.1 None directly arising from this report.

10. Consultation

10.1 There has been extensive public consultation throughout this project. The Bentley Project Reference Group has included ward members and other stakeholders including residents and the manager of Bentley Beginnings. There has also been public consultation at various events including the regeneration framework for Bentley, the selection of a preferred design for the new library and detailed proposals for the FAT designed scheme. In addition local residents have been consulted on the proposals to redevelop the existing parcels of open space prior to the planning applications being submitted.

Background papers

None

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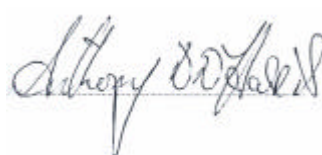
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July 2011



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July 2011