



CABINET – 18TH MARCH 2015

SUBJECT: FORMER CAERPHILLY LIBRARY, MORGAN JONES PARK

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER

1. PURPOSE OF REPORT

- 1.1 To seek Cabinet's approval of Asset Management Group's (AMG) recommendation for the preferred end use, following consideration of all business proposals submitted. The recommendation is to dispose of the site via a leasehold disposal to the most favourable proposal.

2. SUMMARY

- 2.1 The former Caerphilly Library site was declared surplus to the requirements of the holding Service in December 2013, and no ongoing operational use has been identified.
- 2.2 Cabinet, on 4th June 2014, resolved to adopt Option 2 set out in the report:
- To offer, via freehold sale or leasehold disposal, the opportunity for interested parties to submit detailed proposals and supporting business cases for acquisition of the former library be approved.
 - A further report be submitted outlining AMG recommendations for the preferred end use following consideration of any business proposal submitted.
 - The decision regarding the detailed terms of the sale or lease be delegated to the Head of Performance and Property and Cabinet Member for Performance Property and Asset Management.
- 2.3 Following Cabinet's decision, a formal assessment process was established to take Option 2 forward.
- 2.4 Of the 19 initial expressions of interest, 5 full applications were submitted and these have been fully assessed.
- 2.5 The findings were presented to the AMG on Tuesday 17th February, who agreed unanimously to recommend supporting a community café proposal.
- 2.6 In line with the previous decision, Cabinet is now asked to approve the recommendation of the Asset Management Group for the preferred end use following consideration of all business proposals submitted. Following approval, to delegate the decision regarding the detailed terms of the sale or lease to the Head of Performance and Property and Cabinet Member for Performance, Property and Asset Management.

3. LINKS TO STRATEGY

- 3.1 Under its approved Asset Management Objectives, the Authority aims to manage its land and buildings effectively, efficiently, economically, and provide a safe, sustainable and accessible living and working environment for all users.
- 3.2 The Authority has a medium term financial plan (MTFP), which includes cost saving targets resulting from the disposal of assets.
- 3.3 Asset Transfer and community use of assets, will support the Welsh Government agenda One Wales – progressive agenda for the Governance of Wales, which emphasises the potential for Social Enterprise to meet a variety of social, economic and environmental needs.

4. THE REPORT

- 4.1 The former Caerphilly Library site was declared surplus to the requirements of the holding Service in December 2013, and no ongoing operational use has been identified.
- 4.2 At the point of building closure, there had been a large number of speculative enquiries from third party groups and organisations interested in acquiring the site. Local Members wished to see an on going community use rather than disposal on the open market and as such, Cabinet, on 4th June 2014, resolved to adopt Option 2 set out in the report;
 - To offer, via freehold sale or leasehold disposal, the opportunity for interested parties to submit detailed proposals and supporting business cases for acquisition of the former library be approved.
 - A further report be submitted outlining AMG recommendations for the preferred end use following consideration of any business proposal submitted.
 - The decision regarding the detailed terms of the sale or lease be delegated to the Head of Performance and Property and Cabinet Member for Performance Property and Asset Management.
- 4.3 A formal assessment process was established to implement Option 2 and applications were invited from all interested parties. The assessment considered the following criteria:
 - Proposals for the use and maintenance of the asset;
 - Benefits to the authority, the community based group (if applicable) and wider community, together with planned outcomes;
 - Consideration of whether there are, and will continue to be, any conflicts/overlap of other similar facilities in the locality;
 - Affordability information and evidence of financial support for future development, the detail of which to reflect the scale of the asset that is being considered;
 - Liabilities and how these will be addressed.
- 4.4 The Council provided details of the market valuation for purchase or lease, along with details of the most recent condition survey. This identified that a capital expenditure amounting to circa **£150k** would be necessary over a 5-year period. We also included a summary of the most recent running costs to assist the applicants in preparing their cash flow projections. Applicants were asked to include their bid and state their preference for either purchase or lease in their submission against these expectations.

- 4.5 Of the 19 expressions of interest, 5 full business case applications were submitted by the closing date of 28th November 2014.
- 4.6 The applications were:
- (a) A specialist day care centre for profoundly disabled young adults, with potential additional community use;
 - (b) A community café with focus on family and youth facilities and future community room;
 - (c) A community venue offering several elements including affordable child care and café facility with additional community facilities;
 - (d) A replacement hall for a uniformed youth organisation with potential additional community use; and
 - (e) A replacement venue for boxing gymnasium facility.
- 4.7 Following receipt of these applications, due to the nature of the proposals and in the interests of transparency and fairness, a consultation exercise was implemented to seek the views of various service areas; Community Education, Community Regeneration, Early Years, Flying Start, Finance, Legal Services, Planning and Engineering Services, Social Services and Youth Services. Officer feedback aided the evaluation and scoring of the various proposals.
- 4.8 The evaluation and scoring information was presented to the Asset Management Group (AMG) on 17th February. The AMG consists of the following officers; Nicole Scammell, Acting Director of Corporate Services & s 151 Officer, Councillor David Hardacre, Cabinet Member for Performance, Property & Asset Management, Colin Jones, Head of Performance and Property, Pauline Elliott, Head of Regeneration & Planning, Tim Broadhurst, Section Head - Estates and John Thomas Section Head - Asset Management.
- 4.9 **The community café proposal with family and youth focus (b above)** scored most highly and the evaluation has been supported by the AMG. The Group agreed unanimously in favour of supporting the café submission and, therefore, a recommendation is now made for Cabinet to support this proposal.
- 4.10 The facility will operate as a community café established as a Community Interest Company. The facility will be available to all, with family and youth focus e.g. free soft play area, baby change and free wifi. There is also an aim to develop further community facilities, such as a community room available for hire once the café is trading. The application includes a bid at full market rent and confirms that finances are in place to fund some basic up front building work, decoration and acquisition of equipment prior to opening. The proposal advises that there will be continued investment into the building once the café is trading with a percentage of the profits reinvested year on year. The proposal also creates employment and work placement opportunities from start up.

5. EQUALITIES IMPLICATIONS

- 5.1 An Equalities Impact Assessment (EqIA) screening has been completed in accordance with the Council's Equalities Consultation and Monitoring Guidance and no potential for unlawful discrimination and/or low level or minor negative impact have been identified, therefore a full EqIA has not been carried out.

6. FINANCIAL IMPLICATIONS

- 6.1 The leasehold disposal of the land will produce a revenue stream and relieve the Council of its maintenance obligations.

6.2 There will be annual revenue savings to the Council for not holding the asset. For example, for 2012/2013, the building running costs were circa £21k, this sum includes general utilities and NNDR. Some liabilities will be ongoing whilst the building remains the responsibility of the Council.

7. PERSONNEL IMPLICATIONS

7.1 There are none.

8. CONSULTATIONS

8.1 The views of the service areas detailed above were included during the assessment process and their comments and feedback have been taken into account when evaluating each submission.

8.2 Councillors Bevan and Pritchard have advised that they support the Asset Management Group recommendation to Cabinet.

9. RECOMMENDATIONS

9.1 In line with the previous decision of Cabinet in approving Option 2, Cabinet is now asked to approve the recommendation of the Asset Management Group for the preferred end use following consideration of all business proposals submitted.

9.2 Delegate the decision regarding the detailed terms of the sale or lease to the Head of Performance and Property and Cabinet Member for Performance, Property and Asset Management.

10. REASONS FOR THE RECOMMENDATIONS

10.1 The Council has no operational requirement for the land.

10.2 The Leasehold disposal of the land will release the Council from ongoing maintenance obligations and attract a revenue saving.

11. STATUTORY POWER

11.1 Local Government Act 1972, Local Government Act 2000 and General Disposal Consent (Wales) 2003. This is a Cabinet function.

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Councillor P Bevan, Ward Member, Morgan Jones
Councillor M Prew, Ward Member, Morgan Jones
Councillor J Pritchard, Ward Member, Morgan Jones
Caerphilly Town Council

Background papers: Cabinet Report, Former Caerphilly Library, Morgan Jones Park, Wednesday,
4th June 2014.