



MEETING: OVERVIEW AND SCRUTINY COMMITTEE
(REGENERATION AND ENVIRONMENTAL SERVICES)

DATE: Tuesday 17 December 2013

TIME: 6.30 pm

VENUE: Town Hall, Bootle

Member

Councillor
Councillor McKinley (Chair)
Councillor John Kelly (Vice-Chair)
Councillor Bennett
Councillor Dutton
Councillor Gatherer
Councillor Lappin
Councillor P. Maguire
Councillor S. McGuire
Councillor Tonkiss
Councillor Weavers

Substitute

Councillor
Councillor Webster
Councillor Bradshaw
Councillor Roche
Councillor Crabtree
Councillor Robinson
Councillor Murphy
Councillor Thompson
Councillor Booth
Councillor Shaw
Councillor Welsh

COMMITTEE OFFICER: Ruth Harrison Senior Democratic Services Officer
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E-mail: ruth.harrison@sefton.gov.uk

If you have any special needs that may require arrangements to facilitate your attendance at this meeting, please contact the Committee Officer named above, who will endeavour to assist.

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A G E N D A

1. **Apologies for Absence**

2. **Declarations of Interest**

Members are requested to give notice of any disclosable pecuniary interest, which is not already included in their Register of Members' Interests and the nature of that interest, relating to any item on the agenda in accordance with the Members Code of Conduct, before leaving the meeting room during the discussion on that particular item.

3. **Item Called - In - Library Review - Alternative Library Proposals: Second Gateway Assessments** (Pages 5 - 26)

Report of the Director of Older People

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Report to: Overview and Scrutiny Committee (Regeneration & Environmental Services) **Date of Meeting:** 17 December 2013

Subject: Item Called-In – Library Review – Alternative Library Proposals
2nd Gateway Assessments

Relevant Cabinet Members:

Councillor Peter Dowd (Leader of the Council)

Councillor Ian Moncur (Children, Schools, Families and Leisure)

Report of: Director of Corporate Services

Wards Affected: All

Is this a Key Decision? No **Is it included in the Forward Plan?** No

Exempt/Confidential No

Purpose/Summary

- (1) To advise the Overview and Scrutiny Committee of the relevant aspects of the Constitution and the reasons for the call-in of the decision of the Cabinet on the above item as set out in paragraph 2.2 to this report.
- (2) To seek the views of the Overview and Scrutiny Committee.
- (3) In the event of the Committee being concerned about the decision, the Overview and Scrutiny Committee must decide which of the following courses of action is to be taken in relation to this matter:
 - a) referral of the matter to the Cabinet for re-consideration, setting out the nature of the Overview and Scrutiny Committee's concerns; or
 - b) referral of the matter to Council for the Council to decide whether it wishes to object to the decision (subject to the guidance set out in paragraph 2.5).
- (4) In the event of the Committee being satisfied with the decision, the decision can proceed for implementation immediately following the meeting.

Recommendations:

- (1) That the Committee considers the reasons set out in the extract of the Constitution (see paragraph 2.3) and the requisition for call-in (see paragraph 2.2) and determines its jurisdiction accordingly.
- (2) That the Committee determines whether it is concerned about the Cabinet decision.

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- (3) If the Committee is concerned about the decision, that the Committee indicates which of the two options set out in paragraph (3) of the summary set out above, it wishes to pursue.

How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community			√
2	Jobs and Prosperity		√	
3	Environmental Sustainability		√	
4	Health and Well-Being		√	
5	Children and Young People		√	
6	Creating Safe Communities		√	
7	Creating Inclusive Communities	√		
8	Improving the Quality of Council Services and Strengthening Local Democracy	√		

Reasons for the Recommendations:

The decision of the Cabinet has been called in. The Overview and Scrutiny Committee is required to consider the concerns raised by Councillors.

What will it cost and how will it be financed? N/A

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal: Please see details set out in the Appendix to this report.

Human Resources: None

Equality

- | | | |
|----|--|-------------------------------------|
| 1. | No Equality Implication | <input checked="" type="checkbox"/> |
| 2. | Equality Implications identified and mitigated | <input type="checkbox"/> |
| 3. | Equality Implication identified and risk remains | <input type="checkbox"/> |

Impact on Service Delivery: Please see details set out in the Appendix to this report.

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What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT (FD2707) and the Head of Corporate Legal Services (LD: 2012) have been consulted and their comments are incorporated in the Appendix to this report.

Are there any other options available for consideration?

No – the available options are set out in the Constitution.

Implementation Date for the Decision

To be determined by the decision of the Overview and Scrutiny Committee.

Contact Officer: Ruth Harrison

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Email: ruth.harrison@sefton.gov.uk

Background Papers:

None.

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1. Cabinet Decision

1.1 The report attached as an **Appendix** to this report was considered by the Cabinet on 5 December 2013.

1.2 The decision of the Cabinet is set out below:

MINUTE 71 - LIBRARY REVIEW - ALTERNATIVE LIBRARY PROPOSALS: SECOND GATEWAY ASSESSMENTS

Further to the representations made under Minute No. 70 above and Minute No. 22 of the meeting held on 18 July 2013, the Cabinet considered the report of the Director of Older People which provided details of the second gateway assessments undertaken by Officers on the Community Library proposals submitted by the Aintree Library Action Group (ALAG), Bridge Inn Community Farm and the Friends of Carnegie Library (FOCAL). The report identified the process of assessment together with the advantages and disadvantages associated with each proposal for consideration by the Cabinet.

The report also indicated that the proposal submitted by the Consortium led by Sefton Council for Voluntary Service in respect of Birkdale Library had been withdrawn by the Consortium as they were considering a number of alternatives; and that no other interested parties had come forward in the timescale set by the Council for the receipt of Community Library proposals.

The Chair referred to the advice previously given to community groups who wish to run library services in locations where closure had previously been agreed by the Council, that the proposals had to be feasible and sustainable, meaning that the proposals would not have recourse to funds from the Council in the medium and long term.

The Head of Health and Wellbeing advised that officers had applied the approved assessment criteria to the proposals submitted by the three community groups and the assessments set out in the report were based on all the information supplied by the groups. He indicated that there was a typographical in the table in paragraph 3.4 of the report and that the total score for FOCAL should read '360' and not '365'. He also indicated that an expression of interest had been received since the publication of the report from the Friends of Birkdale Library but the expiry date for the submission of proposals had expired.

The Head of Health and Wellbeing referred to the basis of each proposal and the advantages and disadvantages of each proposal, set out in the report. He indicated that one of the key concerns with the proposals submitted by ALAG and FOCAL was the financial sustainability of the proposals over the long term. In particular the reliance upon an annual revenue grant from Aintree Parish Council that could not be guaranteed as an on-going commitment for the ALAG proposal. He went on to state that the proposal from FOCAL could not demonstrate financial sustainability, and in order to succeed both proposals required capital investment from the Council. He also indicated that during the period from 13 March to 26 November 2013, officers

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had held 20 meetings with various community groups, dealt with a large volume of email correspondence and telephone calls. He also indicated that numerous meetings had taken place with trade union representatives and staff on the community library proposals, and the whole process of acting upon the Councils budget decision to close 7 of its libraries, which demonstrated that officers had been actively engaged with the whole the process.

The Chair commented that the various officers on the assessment panel had acted in a professional manner during the process and they had examined each proposal in an objective manner. This had been the first time that the Council had actively sought community proposals for the operation of services following a decision taken by the full Council to close the operation of part of a service.

Members of the Cabinet raised questions on the following issues referred to in the report and officers responded to the Issues as indicated below:

Councillor Moncur enquired about the assessment challenge undertaken by the Chief Executive.

Response:

The Chief Executive indicated that she was conscious that the assessment scores for the proposals submitted by ALAG and FOCAL were close to the required benchmark to progress beyond the second gateway and she had had challenged the scores and rationale applied by the Officer Assessment Panel over a half day meeting and she was comfortable and satisfied with the scope of the assessments and that they had been assessed in an objective manner.

The Chair (Councillor P. Dowd) referred to the capital investment required from the Council for the ALAG and FOCAL proposals and whether this would be feasible.

Response:

The Head of Corporate Commissioning and Neighbourhood Coordination advised that she held open discussions with representatives of the two community groups on the possibility of financial support being awarded to them from the Community Support Fund (CSF), in advance of the conclusion of the officer assessment of their proposals and that no guarantee had been given of any funding from the CSF. No decision could be made on any possible funding from the CSF until the proposals had passed the second gateway.

Councillor Cummins expressed his disappointment that the proposals submitted by ALAG and FOCAL had not passed the officer second gateway assessment and commented that the Cabinet had to make a decision based on the validity and sustainability of the bids. The CSF had been established by the Council to support community initiatives which could be delivered over the long term.

Councillor Hardy referred to the comments made by the Lead Petitioners under Minute No. 70 above, that the assessment process was not clear and had not been explained to them. She sought an assurance that that it had been a clear and robust process.

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Response:

The Head of Health and Wellbeing indicated that there had been a delay in the adoption of the assessment criteria but once it had been approved by the Cabinet Member – Children, Schools, Families and Leisure; the details had been published on the Council website and submitted to interested parties. The criteria had been discussed with all of the community groups who had submitted proposals and they had been advised that they must be feasible and sustainable.

Councillor Moncur commented that he was fully aware of the time and effort put into the submission of the proposals by ALAG and FOCAL and it was evident from the comments made by the Lead Petitioners that they were frustrated and disappointed at the outcome of the officer assessments. He indicated that he had personally met representatives from FOCAL on 7 October 2013 and they had not indicated any concerns about the assessment process or any lack of understanding of the process. He referred to the officer comments in the report about the reliance of ALAG on an annual revenue grant from Aintree Village Parish Council which would be subject to annual review and indicated that the same Parish Council had passed a resolution in April 2011 that it would not fund any initiatives involving Sefton Council or other public bodies, which illustrated the point that funding bodies can change decisions at a later date and there is no guarantee that ALAG can support their proposal in the long term, as indicated in the report.

The Chair in his summary of the discussions, referred once again to the need for the proposals to be feasible and sustainable over the medium to long term, the support and guidance given by officers to community groups during 20 meetings, to the professional and objective assessment of the proposals by officers and the assessment challenge by the Chief Executive.

Decision Made:

That:

- (1) it be noted, that following the scoring assessment undertaken by officers based on the approved assessment criteria, the proposals from Aintree Library Action Group and Friends of Carnegie Library had failed the second gateway and the proposal from Bridge Inn Community Farm had passed the required standard;
- (2) it be noted that officers have sought additional information and clarification from the two Groups where the assessment was below the required score and this had not resulted in any change to the assessment;
- (3) following the consideration of the officer assessment, it be accepted that the proposals submitted by the Aintree Library Action Group and Friends of Carnegie Library had failed the second gateway and are therefore not approved; and that the proposal submitted by the Bridge Inn Community Farm had passed the second gateway and officers be authorised to enter into formal contractual discussions; and

- (4) the Community Groups be thanked for all of their efforts in putting together the Community Library proposals, and for making themselves available to meet with Officers of the Council.

Reasons for Decision:

Following the consideration of the officer assessment, the Cabinet had determined that two proposals had failed the second gateway and one had passed the second gateway.

Alternative Options Considered and Rejected:

The Council had previously approved the library closure implementation plan and this was ongoing. The only options to be considered were whether or not the proposals submitted met the approved criteria.

2. Details of the Call-In of the Cabinet Decision

- 2.1 The following Members of the Council (who are not Members of the Cabinet) signed the requisition, in accordance with the provisions of the Overview and Scrutiny Committee Procedure Rules in Chapter 6 of the Council's Constitution.

Councillor Papworth
Councillor Dorgan
Councillor Dutton

- 2.2 In the requisition for the call-in, the following reason was given:-

“We wish to call in the decision made by the Cabinet on 5th December 2013 in respect of Libraries (Minute No. 71), in accordance with the terms of paragraph 40 (b) of Chapter 6 in the Constitution, in that the decision was based on facts not taken into account, and is therefore unsound.”

- 2.3 The Constitution sets out the following requirements with respect to call-in:

“All requisitions for call-in shall refer to a specific decision and provide a reason. A decision may only be the subject of one call-in. A decision may only be called-in for the following purposes:

- a) to seek more understanding of the decision and its implications;
- b) to question the soundness of the decision based on facts taken or not taken into account;
- c) to identify the need for Council policies to guide decisions;
- d) to make recommendations to the Cabinet and/or Council;
- e) to question whether the decision conforms with agreed policies.”

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- 2.4 Members are asked to consider the requisition cited above (paragraph 2.2) and determine which ground or grounds apply to the requisition, if any. If the Committee determines that the requisition fall within one of the grounds, then it can proceed to consider whether it is concerned with the decision.
- 2.5 The Secretary of State in his guidance recommends that the Overview and Scrutiny Committees should only use the power to refer matters to the full Council if they consider that the decision is contrary to the policy framework or contrary or not wholly in accordance with the budget.
- 2.6 The call in requisition set out in paragraph 2.2 above was received immediately following the publication of the minutes of the Cabinet meeting held on 5 December 2013 and arrangements were made for the call in request to be considered as soon as possible in view of the forthcoming Christmas holiday period.
- 2.7 The deadline for call in is Friday 13 December 2013. Any subsequent call in requisitions received by the Director of Corporate Services will be circulated to all relevant Members and Officers and will be considered at the Committee Meeting to be held on 17 December 2013.

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Report to: Cabinet **Date of Meeting:** 5th December 2013

Subject: Library Review - Alternative Library Proposals 2nd Gateway Assessments

Report of: Director of Older People

Wards Affected: Ainsdale, Molyneux, Blundellsands and Victoria

Is this a Key Decision? No **Is it included in the Forward Plan?** No

Exempt/Confidential No

Report Summary

The report sets out the 2nd gateway assessments of the Community Library proposals undertaken by Officers. It identifies the process of assessment together with the advantages and disadvantages associated with each proposal for Cabinet consideration prior to making a decision.

Recommendations

Cabinet is asked to:-

1. Note the scoring assessment undertaken by officers and that based on the approved assessment criteria, the proposals from Aintree Library Action Group and Friends of Carnegie Library fail the second gateway and the proposal from Bridge Inn Community Farm passes the required standard.
2. Note that officers have sought additional information and clarification from groups where the assessment was below the required score and this has not resulted in any change to the assessment
3. Considers the officer assessment and subject to any challenge endorses the outcome.

4. Subject to the above determine that:-

Aintree Library Action Group and Friends of Carnegie Library failed the second gateway and are therefore not approved; and Bridge Inn Community Farm passes the second gateway and is approved to enter into formal contractual discussions.

5. Thank the Community Groups for all of their efforts in putting together the Community Library proposals, and for making themselves available to meet with Officers of the Council.

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How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Jobs and Prosperity		√	
3	Environmental Sustainability		√	
4	Health and Well-Being		√	
5	Children and Young People		√	
6	Creating Safe Communities		√	
7	Creating Inclusive Communities		√	
8	Improving the Quality of Council Services and Strengthening Local Democracy		√	

What will it cost and how will it be financed?

(A) Revenue Costs.

There are no direct revenue implications arising from this report

(B) Capital Costs.

There are no direct capital implications arising from this report

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal -

The proposals submitted by the Community Groups have been assessed using the Assessment Criteria and process agreed by the Cabinet Member (Children, Schools, Families and Leisure). The Cabinet is asked to consider the proposals from the Community Groups based on the assessment information contained within this report. Consideration using any other factors unless consistently applied to all proposals could risk the Council facing a legal challenge. A Legal Challenge in this case could well mean Judicial Review. The whole process of determination of the proposals could be challenged through this route. This would mean that the decision-making process would need to be defensible by ensuring that :-

Only relevant considerations are taken into account;

That the assessment process has been applied consistently to each proposal;

That a reasonable conclusion is reached with respect to each proposal.

Human Resources – There are no HR issues to consider within this report

Equality – There are no equality issues arising directly from this report

Impact on Service Delivery:

The Council on 28th February 2013 made the decision as part of its Budget process to close 7 of its libraries. The approved closure programme is continuing as planned and are unaffected by this decision. If the proposals are accepted, some of the services that will cease could be provided by a Community group.

Reasons for the Recommendations

The Council will need to consider the officer assessment of the library proposals from a number of Community groups and determine which could be supported.

What consultations have taken place on the proposals and when?

Internal consultation within Departments has taken place on assessing the proposals.

The Head of Corporate Finance & ICT (FD2682) and Head of Corporate Legal Services (LD1987) have been consulted and their comments have been incorporated into the report.

Are there any other options available for consideration?

The Council has already approved the library closure implementation plan and this is ongoing. The only options to be considered is whether the bids submitted meet the approved criteria or not.

Implementation Date for the Decision

Immediately, following the call-in period, following the publication of the minutes

Contact Officers:

Steve Deakin, Head of Health & Wellbeing
Tel: 0151 934 2372
Email: steve.deakin@sefton.gov.uk

Relevant reports

Cabinet Member (Children's, Schools, Families and Leisure) - Library Review – Alternative Community Proposals Assessment Criteria - 25th June 2013
Cabinet - Library Review – Assessment of Alternative Community Proposal - 18th July 2013

Copies of the following Background Papers can be accessed on the Council's Website via this link:

<http://modgov.sefton.gov.uk/moderngov/ecCatDisplay.aspx?sch=doc&cat=13457&path=0>

Community Proposals and addenda submitted by:-
Aintree Library Action Group
Bridge Inn Community Farm
Friends of Carnegie Library
Sefton CVS

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1. Background

- 1.1 The Assessment Criteria were approved by the Cabinet Member (Children, Schools, Families and Leisure) on 2nd July 2013 and on the same date Officers were authorised to assess the Community Proposals which had been received to date using these Criteria and to report the outcome to Cabinet on 18th July 2013.
- 1.2 At its meeting on 18th July 2013, Cabinet resolved that:-
 - (1) the Officers' assessment of the Community proposals at the first gateway be approved, and the proposals submitted by the ABC Group and Birkdale Library Action Group be rejected
 - (2) the Sefton Council for Voluntary Service (CVS) and Aintree Library Action Group proposals pass the first gateway and Officers be authorised to carry out an in depth assessment of those proposals;
 - (3) any future decisions relating to the Sefton CVS and Aintree Library Action Group proposals be delegated to the Cabinet Member - Children, Schools, Families and Leisure;
 - (4) the consideration of any new proposals that may come forward be delegated to the Cabinet Member - Children's, Schools, Families and Leisure, provided that such new proposals come forward at least two months before the proposed date of closure of the library in question;
 - (5) the receipt of a nomination under the Community Right to Bid provisions of the Localism Act 2011 in respect of the Carnegie Library, Crosby be noted; and
 - (6) community groups/organisations be thanked for their efforts in submitting community proposals for the libraries and that the hard work and commitment made by them be recognised.
- 1.3 In addition to the proposals already received from Sefton CVS (Birkdale Library) and Aintree Library Action Group (Aintree Library) two others were received within the appropriate timeframe from Bridge Inn Community Farm (Ainsdale Library), and FOCAL (Carnegie Library, Crosby).
- 1.4 The Cabinet Member (Children, Schools, Families and Leisure) considers the decision on whether or not the Council should support individual Community Library bids to be a significant issue and has therefore waived his delegated authority in order for the matter to be considered by Cabinet.
- 1.5 All of the proposals have been assessed by Officers using the agreed gateway method. This report seeks the views of the Cabinet on the assessed proposals together with the advantages, disadvantages and risks of each proposal and asks Cabinet to approve or decline the Community proposals based on the assessment information provided.

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2 Assessment Criteria

2.1 The approved Assessment Criteria contained four components that were weighted in accordance with the level of importance the Council placed upon them in terms of their sustainability and viability. These were:-

Assessment Component	Weighting
Deliverability	15%
Community Benefits	20%
Financial Viability	50%
Staffing	15%

2.2 Whilst all of the components are important in terms of assessing the proposals received, the Financial Viability element was considered the most important factor. In determining the level of risk associated with each proposal being ultimately sustainable and viable these weightings have been applied.

3 Assessment of the Proposals

3.1 The assessments were undertaken by a panel of Council Officers taken from the following service areas; Legal, Finance, Property Management, Neighbourhoods, and Libraries.

3.2 The proposal received from the Consortium led by Sefton CVS in respect of Birkdale library has been withdrawn by the Consortium as they are considering a number of alternatives. There have been no other interested parties come forward in the timescale set by the Council for the receipt of Community Library proposals.

3.3 All of the assessments were based on the information provided by the Community groups. In accordance with the approved procedure, where additional information was sought this was also considered as part of the assessment.

3.4 The following table sets out how each proposal scored against the second gateway assessment criteria:

	Aintree LAG	Bridge Inn	FOCAL
Deliverability	60/100	77/100	55/100
Community Benefits	85/100	86/100	85/100
Financial Viability	137/200	165/200	135/200
Staffing	85/100	90/100	85/100
Total Score	367/500	418/500	* 360/500

(* The total score for FOCAL stated in the report submitted to the Cabinet was "365" which was incorrect due to a typographical error. The figure of "360" is the correct total.)

3.5 The total mark available is 500 and in order to progress beyond the 2nd gateway a score of 375 points would be required. The assessment process reported in July stated that if a proposal scored between 325 and 374 points

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further information would be requested from the organisation before it was decided whether the proposal passed/failed to meet the requirements.

- 3.6 Officers sought additional information from Aintree Library Action Group (ALAG) and Friends of Carnegie Library (FOCAL) and had meetings with representatives of both organisations. The main thrust of these meetings was to further explore their financial viability. Both organisations were very helpful in presenting further information / clarification.
- 3.7 It is the view of Officers that despite the additional information presented by ALAG and FOCAL the original assessment score should remain unchanged, as the potential risks identified in the original assessment remain valid and there remains concern about the long term sustainability and viability of both proposals . In discussions with the Community Groups, Officers have consistently indicated that long term will be considered to be at least 5 years.
- 3.8 Only one proposal, that from Bridge Inn Community Farm has passed the approved assessment process undertaken by Officers. The other two proposals from ALAG and FOCAL have fallen short of the designated pass mark.

4 Assessment Challenge process

- 4.1 Following the Officers assessment of all of the Community Library proposals a challenge was undertaken by the Chief Executive to validate the process and scoring for each of the proposals. The scoring remained unchanged following this stage of the process.

5 Individual Proposals Advantages and Disadvantages

- 5.1 The following paragraphs provide a detailed synopsis of the individual proposals together with Officers assessment.
- 5.2 All of the Community groups have put a tremendous amount of effort and commitment into submitting these proposals, and have made themselves readily available to meet with Officers to clarify a number of issues, and it is felt that they should be formally thanked for their time and effort.

a) Bridge Inn Community Farm (BICF)

Basis of the proposal

1. BICF have scored consistently over 75% in all factors, and in financial viability score 82.5%. They have passed the 2nd assessment process.
2. They are an established company (2010) with an on-going track record and independent financial resources.
3. They require no revenue support from the Council to operate from Ainsdale Library.

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4. They have requested a lease of the building for an initial 10 year term, on a full repair, and insuring basis, with no liability left with the Council.
5. They have consulted with other community groups in the area and have received written confirmation of support and stated a willingness to support their project with volunteers from these other organisations.
6. They have made an application to the Council for funds from the Community Support Fund in the sum of £20,000 to undertake some minor alterations to the building, although they are prepared to continue with their proposal should this funding not be available and it is the officers view that the scheme is viable without this funding.
7. They intend to operate a Creative Activities centre for people with Physical and Learning difficulties, retaining 25% of the space for a Community Library.

Advantages of the Proposal

1. An established company which is a sustainable business with a proven track record
2. Company has their own funding and no revenue contribution required from the Council
3. Community support
4. Meets library review mitigation
5. Helps build Community resilience
6. Provides opportunities for the client group of vulnerable people to develop their skills and engage with the community.

Disadvantages

1. Although BICF have scored high in terms of financial viability, there remains a marginal risk that the project will not deliver the income required to make it viable. The business is funded from individuals with Direct Payments purchasing the activities on offer. If this reduces it will affect the deliverability of the project. However, the BICF proposal has indicated that the demand for its services has been increasing year on year.

Matters for Consideration

1. Whilst Bridge Inn Community Farm has passed the gateway assessment there are still some marginal risks to the Council in approving the proposal. It is Officers' view that these risks are acceptable and this proposal is recommended.

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b) Aintree Library Action Group (ALAG)

Basis of the proposal

1. ALAG have scored over 75% in two of the factors, and 60% and 68.5% in the other two. The overriding concern is the score on financial viability of 68.5% (137 points out of 200)
2. This is a newly established community group, with no track record of delivering services. But there are individuals on the group who do have a successful business background.
3. ALAG are reliant upon Aintree Parish Council for a substantial part of their revenue support in the sum of £20,000 per annum. In its original submission and again at the clarification stage the Parish Council confirmed that this contribution was subject to annual review.
4. ALAG hold £23,550 credit in the bank to fund the start up of their proposed Community Library, which they estimate will cost £27,000 per annum to operate.
5. ALAG have notes of promise from 3 local organisations, linked to a leading member of the group, of financial support in the sum total of £3,500 which is subject to annual review.
6. Subject to a formal budget process, there is a proposal for a grant of £20,000 from Aintree Parish Council in 2014/15, which together with their other financial support would provide them with approx £47,000 of revenue funding which, based on their estimates, would be sufficient for them to operate the library for at least the next 21 months.
7. They have indicated that they require no on-going revenue support from the Council to operate the library.
8. They have requested a lease of at least 25 years and wish to explore with the Council a Freehold Asset transfer. There has been some dialogue around the desirability of committing to a full repair and insurance lease, which would now appear to be resolved.
9. They have a group of 60 volunteers ready to support the project with 180 hours of voluntary time.
10. They had made an application to the Council for funds from the Community Support Fund in the sum of £ 176,000 to undertake some works to the building, but this has been revised down to £53,778. The bid is reliant on the Council approving this allocation.
11. They intend to operate the building as a library, and are looking to develop spaces within the building for further community use.

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12. The group have expressed a desire to secure the freehold asset transfer of the site. Officers have indicated to the group that it is unlikely that they would recommend this course of action but, the group may wish to pursue this interest outside of the current process.
13. ALAG have raised concerns over the general condition of the building with particular reference to the ageing oil fired boiler, which if it failed would be expensive to replace. The boiler has been serviced annually and whilst it is in good operating condition, due to its age the Council cannot guarantee it will not require replacement anytime soon. Should the boiler fail there would be significant financial outlay for which no direct provision has been made by the Group. There are also a small number of outstanding repairs to the structure of the building that the Council would have to undertake as a result of some problems with the cavity wall ties.

Advantages of the Proposal

1. No ongoing revenue support required from the Council
2. Has Community support
3. Meets the Library mitigation, as identified in the Library Review report of 14th February 2013; Opportunity to establish a Community library
4. Helps build Community resilience by enhancing the social value of the library to the community, raising participation, reducing social isolation, increasing social engagement, physical activity, and intergenerational contact.
5. They could have funds available to operate for at least 21 months, if Aintree Parish Council provide funding for 2014/15.
6. They have a volunteer base already established

Disadvantages

1. This is a new group without a track record or formal structure, and it may prove difficult for them to operate a front line public facing service with their limited experience. There is a medium to high risk that the group may be unable to fulfil the operational requirements around repair and maintenance and health and safety.
2. There is a significant concern from Officers that this proposal is not sustainable in the long term given its reliance upon an annual revenue grant from one principal funder, Aintree Parish Council. This grant is subject to annual review and there are many factors that may affect Aintree Parish Council from continuing with this commitment on an on-going basis. For example, the fact that Local Government faces a number of challenges in the years ahead, there must be a high risk placed against the ability of the Parish Council to commit to this support as an on-going commitment.

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The Parish Council are also obliged to consider the legislative requirements of Section 137 of the Local Government Act 1972 which enables local councils to spend a limited amount of money for purposes for which they have no other specific statutory expenditure. This section allows Aintree Parish Council to:

- a) spend a limited amount, currently £6.98 per local elector i.e. up to £37,000 a year, on activities for which it has no specific power. Before agreeing to the expenditure the Council must first be satisfied that there is a direct benefit to the area or part of the area, or to some or all of the inhabitants.
 - b) The council must ensure that the direct benefit accruing to its area or residents is commensurate with the expenditure incurred. This means that the council should not spend a disproportionately large amount on something which has no or very little direct benefit.
 - c) Under Section 137(a) a council which provides financial assistance equal to or exceeding the “relevant minimum” to a body providing a public service, or a charity it must require the body or charity to furnish a written statement of how the money has been spent, within 12 months after the assistance has been given. The “relevant minimum” is £2,000 but a council should normally require some account from the recipient body of how the contribution is to be (and in the case of successive contributions has been) spent, whatever the amount. In many cases the Grant is given in a form that will have to be treated as “Restricted Funds” by the receiving charity.
 - d) As Councillors are collectively expressing an opinion as to the commensurate local benefit, the expenditure under section 137 must be properly authorised by resolution.
3. The 3 offers of financial support from local organisations are also subject to annual review, and if these were withdrawn it would place pressure on the group to generate increased revenue to sustain the operation. This must therefore also be considered high risk.
 4. The group could by March 2014 have sufficient revenue funding guaranteed to operate for at least 21 months, and have requested that the Council invest £53,000 of its capital resources into the building to make it suitable for their operation. Given the potential high risk that the main funder could not sustain the commitment there is a risk that the Council could invest over £50,000 into an asset that may face closure within 2 or 3 years, and it may not be in the Council’s best interests to use its limited resources in this way.

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Matters for Consideration

1. The Council are committed to building community resilience, but with no track record there are risks for the Council in agreeing to ALAG proposal.
2. The financial risks identified place a medium to high risk against the proposal and its long term sustainability, especially with only a one year guarantee of funding from Aintree Parish Council, the main revenue funder.
3. The concerns raised about the condition of the building and the outstanding structural repairs required raise concerns about the on-going suitability of the building in the short term. The bid is dependent upon a successful bid to the Community Support Fund of £53,788 to undertake essential repairs.

c) Friends of Carnegie Library (FOCAL)

Basis of the proposal

1. FOCAL have scored over 75% in two of the factors, and 55% and 67.5% in the other two. The overriding concern is the score on financial viability of 67.5% (135 points out of 200)
- 2 This is a newly established community group, with no track record of delivering services. Although there are individuals on the group who do have a business background and successful track record.
- 3 They have very limited funds in the bank, and their income estimates appear to be very speculative. A large proportion of their income is to be derived from Commercial lettings, plus personal donations and interest free loans.
- 4 They have indicated that they require no on-going revenue support from the Council to operate the library.
- 5 They have requested a lease of at least 25 years and wish to explore with the Council a Freehold Asset transfer. There has been some dialogue around the issues of a full repair and insurance lease, which still need to be resolved.
- 6 They have a group of 50 volunteers ready to support the library opening 4 half days per week.
- 7 They have made an application to the Council for funds from the Community Support Fund in the sum of £ 30,000 to undertake some works to the building.
- 8 They intend to operate the building as a library, and are looking to develop spaces within the building for further community and commercial use.

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9. Carnegie Library is a grade 2 listed building which is listed both internally and externally, a fact that presents a number of challenges in terms of repairs and maintenance and its adaptability for other uses.
10. FOCAL had submitted a nomination under the Community Right to Bid provisions of the Localism Act 2011 in respect of Carnegie Library. A report was considered by the Cabinet Member Corporate Services and Performance on the 22nd October 2013 and resolved
 - (1) That the Cabinet Member-Corporate Services and Performance agrees that the Carnegie Library, Crosby be listed as an Asset of Community Value; and
 - (2) that the Cabinet Member - Children, Schools, Families and Leisure be requested to note the contents of the report.
11. The group have expressed a desire to secure the freehold asset transfer of the site. Officers have indicated to the group that it is unlikely that they would recommend this course of action but, the group may wish to pursue this interest outside of the current process.

Advantages of the Proposal

1. No revenue support required from the Council
2. Has Community support
3. Meets the Library mitigation, as identified in the Library Review report of 14th February 2013; Opportunity to establish a Community library
4. Helps build Community resilience by enhancing the social value of the library to the community, raising participation, reducing social isolation, increasing social engagement, physical activity, and intergenerational contact.
5. They have a small volunteer base already established

Disadvantages

1. This is a new group without a track record, and it may prove difficult for them to operate a front line public facing service with their limited experience. There is a medium to high risk that the group may be unable to fulfil the operational requirements around repair and maintenance and health and safety.
2. There is a concern that this proposal is not sustainable in the long term, the financial projections are very speculative and are heavily reliant upon commercial lettings income, personal donations and interest free loans. If these do not materialise there is a large gap in the funding required to operate the building. There is a high risk to the Council in supporting this proposal purely in financial terms.

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3. The Carnegie Library building is grade II listed both internally and externally, and presents a number of challenges to keep the building in a suitable working condition. Sections of the lead roof have been stolen over the years, the last being the weekend of 26th October 2013, which would present a considerable cost especially when the Community group would be responsible for the full repair and maintenance of the building. The risks of such types of theft reoccurring are high and the associated costs could cause financial difficulties to the group.
4. The group have very limited revenue funding, but have requested that the Council invest £30,000 of its capital resources into the building to make it suitable for their operation. Given the potential risk that the group may not be able to generate sufficient funding to operate the building there is a risk that the Council could invest £30,000 into an asset that may face closure within 2 or 3 years or possibly earlier, and it may not be in the Council's best interests to use its limited resources in this way.

Matters for Consideration

- 1 The Council are committed to building community resilience, but with no track record there are risks for the Council in agreeing to FOCAL proposal.
- 2 The financial risks identified place a medium to high risk against the proposal and its long term sustainability, especially as there is no guaranteed income in the budget proposal and that the building has a listed status.
- 3 Should Cabinet decide not support the proposal from FOCAL, the fact that Carnegie library building has been listed as an Asset of Community Value presents the community with an opportunity to develop a further community based scheme not necessarily based on full library provision, that is feasible and sustainable for consideration by the Council at a later date.

6 Community Right to Challenge

- 6.1 The Community Right to Challenge forms part of the Localism Act 2011 and gives "relevant bodies" the right to challenge the Council to run a specific service. A relevant body may submit an expression of interest to run an existing Council service during the period from 1st March to 31st March in each year. An expression of interest may be for all or part of a service covering all or part of the Borough. If an expression of interest is accepted by the Council, a procurement exercise will commence and existing procurement rules will apply, allowing other interested parties to tender". This may be an option that the Community groups consider.

7 Next Steps

- 7.1 If the Council incurs a period where the buildings are unoccupied this will require the properties to be secured, utilities to be terminated and for the

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contents to be removed. The average cost per library is £6,800 one-off. There will also be on-going security costs and business rates which will average £7,600 per annum.

- 7.2 In the Cabinet report of 14th February 2013 Members were informed that options for disposal of the buildings would need to be agreed by the Cabinet. Any financial implications of site disposals have not been included within the financial assessment of these options.