

Report to:	Cabinet	Date of Meeting:	25 th May 2023
Subject:	Crosby New Library		
Report of:	Executive Director People	Wards Affected:	Blundellsands, Church, Manor, Victoria
Portfolio:	Communities and Housing		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No, but some detailed appendices of the full business case, are NOT FOR PUBLICATION by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. The Public Interest Test has been applied and favours the information being treated as exempt.		

Summary:

The existing Crosby Central Library and Civic Hall have long-standing and significant issues relating to the condition of the building, bringing the long-term viability, in retaining the buildings, into question.

Key elements of the building are reaching the end-of-life stage and there is a risk that those elements would be deemed beyond repair if they fail.

Working conditions for staff in the building are not conducive to a modern working environment.

Furthermore, the nature of the buildings and the changing needs of the service indicate the need for a new format for the library, providing the opportunity to grow the service in line with changing needs of the community/library users.

The existing library also presents a major challenge in terms of the Council's Climate Emergency declaration and linked objectives of becoming carbon neutral by 2030. This is due to the nature of the building itself and the significant costs identified to address the very poor energy performance of the site.

The Green Car Park site in Crosby Village Centre was identified, in the adopted Crosby Investment Strategy, as presenting an opportunity to deliver a development site, which could help with the long term viability and vitality of the village centre.

The site is ideally located to provide an alternative location for a new library facility with very good access supported by bus, rail and car travellers.

Also, with the imminent introduction of highways improvements linked to sustainable travel, the site will benefit from greatly improved accessibility for pedestrians and cyclists.

The existing Central library site is identified as a good opportunity for housing led regeneration with new homes and/or a mix of uses on the site complementary to the

surrounding area. A Planning Brief (Appendix B) has been prepared for the site which supports the principles of regeneration and the opportunity to deliver a positive outcome for the local community.

The condition of health facilities in the central Crosby area has been a concern for some time. The South Sefton Clinical Commissioning Group acknowledged in their High-Level Estate Primary and Community Health Service Requirement for the Crosby Village that

‘Current primary care premises in the area are generally not fit for purpose and lack the capacity to deliver current, let alone future integrated and extended health services’.

This, alongside discussions with the Primary Care Network (PCN) and local GP providers, indicated a strong interest in being part of a shared facility in Crosby Village should the Council progress a new library, providing for the Library requirements alongside other health and wellbeing provision.

This type of facility is now increasingly common across the country providing support across a wide range of health commissioned services and wider social prescribing models.

The above factors combine to provide a strong imperative around the provision of a library- led new facility, built to the highest environmental standards and providing highly accessible service provision in a sustainable location. Work has been progressed in developing designs and feasibility studies to help fix the nature of a new facility. This work formed the basis for two funding bids through the Levelling Up Funding (LUF) rounds, the first round providing positive feedback and encouragement for a second round bid in 2022 which unfortunately again failed to gain support in a very competitive process where 80% of bids nationally failed to gain support from the Government.

Based on the LUF first round feedback and the status of Sefton as a Levelling Up Tier 3 priority (the lowest tier as ranked by Government LUF Criteria), alongside work to prepare and submit the round 2 LUF bid, officers were also asked to twin track alternative options for delivering what was a widely supported scheme for building a new library health and well-being facility.

This work is now complete, an Outline Business Case (OBC) has been produced in support of the project and this OBC has informed this report and the recommendations (Appendix A exempt/Appendix E Redacted ver OBC).

Recommendation(s):

1. Members to note the significant risk to service delivery associated with the condition of existing Crosby Central Library facility.
2. Members to note the content of the Outline Business Case for Crosby New Library as set out in the Appendix A to this report and associated design development which has informed that work to date.
3. Members to note that the capital cost of delivering the preferred options for the full scheme is currently estimated to be £13.8m. This cost will be subject to further review as part of the development of the Full Business Case (FBC). This includes the detailed full and final design necessary to develop the FBC for this project which are estimated to be £1.02m. These costs will be funded from the Growth Budget initially and then repaid on approval of the FBC.
4. Members to note that, should the FBC not be approved, then it will not be possible to capitalise the design costs of £1.02m and they would therefore need be funded from revenue resources. It is proposed that these would be funded from the following: £0.62m Growth Budget; £0.10m virement from the Libraries Capital Programme; and the remaining £0.3m found from within the Communities service budget.
5. Members are requested to authorise the Executive Director Place to commence an appropriate procurement process to deliver the Crosby new Library development in the manner outlined in this report based on the preferred option(s) 3 & 8, to produce a Full Business Case to accompany final design and delivery proposals and return to Cabinet to confirm costs and seek authorisation to contract the works,
6. Members are requested to authorise the Executive Director Place to commence an appropriate soft market testing of the existing site based on the Planning Brief prepared for the purpose of informing such an exercise.
7. Members are requested to note as part of the process of developing the Full Business Case (FBC) the Executive Director of People will carry out an exercise to inform the effective and efficient transfer of library services to the proposed new site in Crosby.

Reasons for the Recommendation(s):

Do nothing is not an option in addressing the pressing need to identify a suitable way forward in dealing with the issues linked to the physical condition of the existing Library facility and the associated risk to service delivery.

Delivering the scheme will provide certainty for service delivery to the Council the development will strengthen local economic conditions for Crosby Village. Together with the inclusion of Health and Well-Being facilities the new centre will significantly increase footfall in Crosby Village supporting long term the viability and vitality of the village. The new centre will provide the opportunity to enhance existing library services and also present new opportunities to community based health providers where there is a

directive to improving and enhancing community based provision such as diagnostics as identified in the NHS Long Term Plan.

Alternative Options Considered and Rejected: (including any Risk Implications)

Nine options for delivery of the objectives of this project were considered, which are detailed in the outline business case (OBC), Appendix A exempt (Append E redacted Ver OBC).

Options considered:

Option 0 Business as Usual (do nothing)
No investment in new facilities. The Green Car Park site will remain as a car park. The existing library will still require significant investment in the short term, and continue to provide high costs to council in management and maintenance.
Option 1 New Library only
The Green Car Park will be developed to deliver a new Library only. The existing library will be closed, but not developed. Healthcare services will continue to be distributed, and no other development proposed.
Option 2 New Library, Healthcare centre and Office provision (Existing Site not developed)
The Green Car Park site will be developed into a new Library, healthcare, and office hub. The existing library will be closed, land will remain in Council's ownership (no new development proposed here).
Option 3 As per above option, but existing Library site sold to private developer
The Green Car Park site will be developed into a new Library, healthcare, and office hub. The existing library will be sold to a developer for residential led redevelopment.
Option 4 New Library, Healthcare centre and Residential above
The Green Car Park site will be developed into a new Library and healthcare hub, with residential development above (As per LUF Round 1 funding bid scheme). The existing library will be closed, but remain in council ownership
Option 5 As per above option, but existing Library site sold to private developer
As above, but the existing Library site in will be sold off to a developer to deliver housing led development.
Option 6 New Library and Residential development
Green Car Park will be developed into a new Library with residential development above. The existing library will be closed, land will remain in Council's ownership.
Option 7 Development partnership approach –New Library, Old Library plus further sites across the borough
Developer takes over both the existing library site and the Green Car Park. Green car park to be developed to library, health hub/office space. Existing library to be developed to provide homes. Further sites need to be added to make project viable for developer –potentially between 10-20 sites across the borough
Option 8 Council led redevelopment of the Green car park and existing library site (Waterloo)
Similar to Option 3, but Council led. Green Car Park will be developed into a Library and health hub/office. The existing library site will be redeveloped for residential led mixed-use development.

The assessment of these options identified the Preferred Option to be Options 3 and 8 with the distinction between these two options being in the method of delivery for redevelopment of the existing library site (sale of the site or council led redevelopment). The full business case (FBC) will help determine which of these two options ultimately represents the most beneficial approach.

The Outline Business Case (OBC, Appendix A exempt/ Appendix E Redacted ver OBC) details the range of options considered both in terms of the make-up of any provision ranging from a business as usual scenario (do nothing) through a range of alternative approaches to delivering the New Library alone and New Library together with other elements as detailed.

In addition to the options in terms of the form of development, the OBC also considers the most beneficial delivery structure accounting for both cost and risk in this regard and this informs the recommendations in this report.

The Preferred Option(s)

Options 3 & 8 are outlined in more detail below. It is necessary and appropriate to move forward to the next stage of the delivery process and develop the Full Business Case with both these two options considered effectively subsets of the same option. Both options will deliver the New Library and Health Hub on the Green Car Park in Crosby the difference between the two options 3 & 8 relates only to the redevelopment of existing library site in accordance with the approved Development Brief. The Full Business Case will further explore the existing library site redevelopment and include recommendation for the most beneficial way forward for the site. The detail of this is set out in OBC at Appendix A (Appendix E Redacted ver OBC) and in outline at Appendix D.

OPTION	Description	Strategic Fit	Financial	Economic	Deliverability	Overall Rating
Option 3. New Library, Healthcare centre and Office provision but existing Library site sold to private developer	Generally good alignment with local, regional and national policy. Potential issues with developer led approach to former library site, however this could be mitigated through negotiation and SMBC control of any development agreement.	Generally good alignment with local, regional and national policy. Potential issues with developer led approach to former library site, however this could be mitigated through negotiation and SMBC control of any development agreement.	Upfront Costs: unclear; likely to be upfront income due to the sale of the existing library site which could be used to part fund the development of the new facilities. Whole Life Costs: Low, rental costs at new Library site only.	Economic Benefits: High Wider public welfare benefits: High	Achievability: Good Financial delivery: Potentially Good	Taken forward
Option 8 – Council led redevelopment of the Green car park and existing library site (Waterloo)	Similar to Option 3, but Council led. Green Car Park will be developed into a Library and health hub/office. The existing library site will be redeveloped for residential led mixed-use development.	Good alignment and covers a number of strategic policy drivers including affordable residential development and improved town centres.	Upfront Costs – High, but potentially offset by sale of residential development on Waterloo site, leading to funds to part fund Green Car Park Whole Life Costs –Low, rental costs at new Library site only.	Economic Benefits -High Wider public welfare benefits –High	Achievability – Good Financial delivery –Good	Taken forward

What will it cost and how will it be financed?

(A) Revenue Costs

Operating Costs

The outline business case accounts in full for the existing library operating costs, it also accounts for additional costs associated with offsite archive storage associated with a moving of the library service, also full operating and full life costs associated with the new library. These are estimated to result in net income to the Council of £(0.26)m per annum which will need to be built into the Council's Medium Term Financial Plan (MTFP) if the FBC and the scheme is approved.

Cost of Borrowing

The total cost of the scheme – including fees – is estimated to be £13.8m as per the Cost Plan. Should this be funded through borrowing, the annual repayment over a 40 year term at 4.92% would be £0.792m per annum. This cost will vary depending on movements in interest rates and this will be considered as part of the FBC.

This would also need to be included within the MTFP meaning that the total amount that would need to be found would be £0.532m per annum.

Design Fees

Should the scheme not be approved, then it will not be possible to capitalise the design costs of £1.02m (detailed in the table below) and they will therefore need to be funded from revenue resources which will need to be identified.

Crosby New Library Pre Development Cost to Build Stage (RIBA Stages 0-4)

Activity	Cost Forecast £
Design Team: architects/structural/M&E/highways/landscape	585,686
Surveys and technical reports	92,000
Breem	20,000
Planning/legal/management fees and charges	319,033
Total	1,016,719

Extract from GBP Cash Flow Forecast April 2023
(2023 Costs detail in Appendix C exempt)

(B) Capital Costs

The capital costs associated with the Council directly delivering the new Crosby library and Health Hub are estimated to be £13.8m as per the Cost Plan. Should this be funded by borrowing, an estimate of the annual repayments have been included in the Revenue Costs section above. This would need to be built into the Council's MTFP.

Inflation within the construction sector in particular needs to be considered and this will be accounted for within the full business case and final design process.

The outline business case (OBC) sets out in more detail how the project is defined by reference to both the construction of the New Library together with sale/sale and redevelopment of the Waterloo site in terms of generating income to the project as a whole.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):

Executive Director of Corporate Resources and Customer Services (FD.7217/23..) has been consulted and any comments have been incorporated into the report.

Legal Implications:

Chief Legal and Democratic Officer (LD.5417/23....) has been consulted and any comments have been incorporated into the report.

Equality Implications:

This project will promote good community relations, help reduce disparities amongst different groups, and help strengthen integration across the local community.

A full EqIA will be undertaken for the project which will be submitted as part of any planning application.

This scheme has been designed to help address equalities impacts in the community, specifically relating to access to skills, health and wellbeing and public services for all.

The following provides a brief overview of the sensitive receptors, current impact conditions and the proposed impact of the scheme.

Replacement of current unsuitable provision with a new, reliable, modern, multipurpose space will give the community access to valuable resources and opportunity for the development of new services in the future as appropriate and without the constraint of the existing facilities. The new development will include modern design standards to accommodate all members of the community, considering age, ability, race and sex.

Replacement of a number of sub-optimal and capacity constrained GP surgeries into one, modern facility will transform the provision of healthcare services for all service users in the local area. Wider community based health provision will also be facilitated by improving access and accessibility of all related community based outreach services.

Impact on Children and Young People: Yes

The new Library will improve significantly the quality of the library provision in this part of the borough, it will provide opportunities for future service development meeting the

needs of the community and young people locally and make library provision more accessible to all.

Climate Emergency Implications:

The recommendations within this report will

Have a positive impact	Yes
Have a neutral impact	No
Have a negative impact	No
The Author has undertaken the Climate Emergency training for report authors	Yes

The New library and Health Hub will be designed to meet as a minimum Breeam (*validation and certification systems for sustainable built environment*) Very Good or equivalent standard in this way helping the Council move towards meeting its zero carbon goals.

An independent Decarbonisation Audit of the existing library in 2022 identified very significant issues with the fabric of the building and associated heat and energy systems. The estimated cost of a comprehensive solution to address these problems identified £2.8m of works with a pay-back period on savings of 455 years seriously bringing into question the future viability of continued service provision from the building.

Contribution to the Council's Core Purpose:

Protect the most vulnerable: The new library and health facility will provide improved accessible facilities for residents providing the opportunity for improved access to services, learning and well-being/health provision.

Facilitate confident and resilient communities: The library service provides communities with access to learning and resources which can help develop and support resilience for individuals and communities. Improving facilities for the delivery of health services including the opportunity for enhanced community based diagnostics will inherently improve health and wider well-being in communities supporting resilience.

Commission, broker and provide core services: The Council's library services are a much value core service delivered locally and accessibly to all our communities across the borough.

Place – leadership and influencer: The importance of place and the council's role in showing leadership in influencing and supporting place is at the forefront of the proposals for the new library in Crosby Town Centre. The challenges our town centres continue to face and key to their future role and regeneration are identified in the core policies (local plan/Crosby Investment Strategy and Supplementary Planning Document SPD) linked to these centres and the role of the Council in showing leadership and commitment in this regard is central.

Drivers of change and reform: The proposed new library will ensure that services are able to better respond to future needs and changes to Council Services. The new library

will be part of a development which incorporates health and well-being provision and further support opportunities for initiatives such as social prescribing encouraging community-based programmes of support and opportunities for the better integration of health and social care and support provision.
Facilitate sustainable economic prosperity: A key driver for the new library and recognised in the Crosby Investment Strategy is the location of the development within the town centre. The library and other uses based on the Green Car Park site will help drive footfall support local resilience and aid sustainability of the town Centre.
Greater income for social investment: N/A
Cleaner Greener: The New library will incorporate improvements to areas of public realm immediately adjacent the site and will be developed and operated in a manner consistent with the Councils carbon reduction ambitions.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD.7217/23..) and the Chief Legal and Democratic Officer (LD.5417/23....) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

A significant level of local and stakeholder consultation has taken place in connection with the proposals this process also informed through the Sefton Public Engagement and Consultation Panel. The Panel is a multi-agency advisory panel who offers support, advice and guidance to ensure that the Council's engagement and consultation activity is of a high quality.

An online questionnaire was produced, newsletters distributed locally, stakeholder engagement workshops were held and a public exhibition all supported the engagement process.

The current proposals within the preferred option(s) reflect the feedback from the consultation in particular, reducing the size/scale of the proposed new library and health hub from the original 5 storey proposal to a 3 storey building responds directly to concerns raised through the process of consultation.

Further consultation will take place through the next stages of the design and delivery process and progression of the planning process associated with the development of both the Green Car Park and existing library sites.

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

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Appendices:

The following appendices are attached to this report:

Appendix A: Outline Business Case (OBC) (Exempt)

Appendix B: Development Brief Crosby Library and Civic Hall site

Appendix C: Cost Plan (Exempt)

Appendix D: Outline Business Case Options Table

Appendix E: Outline Business Case Redacted Version for publication

Background Papers:

The following background papers, which are not available elsewhere on the Internet can be accessed on the Council website:

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Crosby Investment Strategy : [Crosby Investment Strategy \(sefton.gov.uk\)](http://sefton.gov.uk)

Crosby Centre Supplementary Planning Document (SPD): [crosby-centre-spd-final-version-september-2017.pdf \(sefton.gov.uk\)](http://sefton.gov.uk)

1. Introduction/Background

1.1 Following on from previous technical work looking at options associated with the provision of a new central library provision in Crosby village centre (including a review of market conditions, need and opportunity), in January 2019 a Project Scope was agreed with Cabinet Members for the Crosby New Library Project. This to include the provision of new Library/Health Hub and Residential development on the Green Car Park, Crosby Village.

The work informing this scope and drivers for the project came from two principal challenges the council is facing in respect of both the condition of the existing Crosby Central Library and Civic Hall at Waterloo and the challenge to our town centres as a result of wider structural economic change, the changing nature of retail and threats to the tradition of high streets and how they function and serve our local communities.

1.2 Crosby Library and Civic Hall had been identified as needing very significant investment and as being increasingly challenged in providing for current and future needs as both a library but also as a local community ‘hub’ . The Civic Hall element

of the existing library has been vacant and effectively mothballed since 2014, expensive to maintain with little or no prospect of future occupation based on similar issues associated with the condition of main library building.

- 1.3 The inclusion of health within the project comes in recognition of the fact that current primary care premises in the area are generally identified by the South Sefton Clinical Commissioning Group SSCCG (now Integrated Care Board/ Partnership) as not fit for purpose and lack the capacity to deliver current, let alone future integrated and extended community health services.
The SSCCG (now ICB/P) recognises the wider social determinants of health and would welcome co-location with social services, library services and well-being services.
- 1.4 It was recognised through the project development that the inclusion of Health would also assist the council in achieving its wider objectives in supporting the viability and vitality of Crosby town centre, generating significant levels of additional footfall within the centre (and this in a location that is highly accessible across the whole community being particularly well serviced by public transport).
This format of combining library, well-being/health/community provision is becoming increasingly common and a popular format for service provision across council and community-based health providers with numerous successful examples locally and nationally.
- 1.5 The siting of a proposed New Library facility on the Green Car Park in Crosby reflected the identification of this site for redevelopment in both the approved Crosby Investment Strategy and the Crosby Supplementary Planning document.

The Green Car Park site was envisaged as a major opportunity site for redevelopment in Crosby. The location and nature of the site combine to ensure that the site has the potential to form a key part in delivering enhanced profile for the village and importantly enhancing the connectivity, and the sense of connection between Crosby village and wider area.

- 1.6 With all of the above in mind, in the summer 2019 and in order to move the project on and accelerate the design through to end of RIBA Design Stage 2, an external design team were engaged to support this work.

Construction company Kier were appointed as lead for the design work with K2 as Architectural Advisors and were tasked to carry out a design process to end of RIBA Stage 2. This process concluded in April 2020 with a detailed full stage 2 design in place for the development as initially scoped providing a library, health local GP health facilities and residential flats.

- 1.7 Based on this work the design process, associated costings and related viability assessment, it was established that the scheme was in principle not viable and required development GAP funding to progress.
- 1.8 Up until this point in the design process the council had already been engaged in discussion with the Combined Authority (CA) seeking support for the project through the City Regions Strategic Investment Funds (SIF). Ongoing discussions with potential partners, as well as investigation of routes to delivery and funding

options continued, with the Council seeking external grant funding in particular to facilitate delivery.

- 1.9 The opportunity to bid for Levelling Up Funds (LUF), announced in the autumn of 2020, provided a potential route to the necessary GAP funding and delivery. This despite the challenges of the LUF Programme and Sefton status as a Priority 3 area (priorities from 1 to 3 were set for all areas across the Country with priority 1 areas being the highest priority).

The Levelling Up Fund criteria in Round 1 of the fund presented a very good fit for the Crosby New Library project with the following key themes:

- a) Transport
- b) Regeneration and Town Centre Investment
- c) Cultural Investment

- 1.10 A Levelling Up Fund bid was therefore prepared for submission in the summer of 2021, had wide ranging support amongst partners and stakeholders and had the necessary support of the local MPs.
- 1.11 Associated with the process of both developing the LUF funding bid and fixing the detailed content of the project at that time, this including the new library complex and a wider scheme of access and public realm improvements, a process of wider community engagement and consultation was set in train.
- 1.12 During the autumn of 2021 a consultation and engagement exercise took place using a range of formats including a local mail shot, an on-line questionnaire, a social media campaign, stakeholder workshops and as we came out of lock down, a face to face public exhibition in the town centre. The proposed programme for the consultation was reported to the Councils Consultation and Engagement Panel in September 2021 and the outcome of the engagement and consultation work was reported back to the Councils Consultation and Engagement Panel. This work went on in part to inform significant design changes to the scheme reflected in the current proposals.
- 1.13 The Round 1 Levelling Up Fund bid for Crosby was not successful but feedback received from our lead regional officer from government, was that the bid was strong but that competition for funding was very high. on this basis the Council should not be discouraged from making a further bid in future LUF Rounds with an anticipated second round of funding in spring of 2022.
- 1.14 In working through the process of preparing a second Levelling Up Funding Bid in summer of 2022 feedback from the previous consultation work was used to help inform the scheme development and associated bid. Significantly the residential elements of the original proposal were dropped in response to the concerns about the scale of the original design at 5 storeys, pressures on car parking and issues linked to residential amenity from a planning perspective.
- 1.15 In January 2023 the Government announced the successful bids for Round 2 of the Levelling Up Fund and Crosby was amongst the 80% of schemes submitted which were not successful in securing funds. Formal feedback has been provided by DLUHC and the bid was recognised as a strong submission but again

competition remained very high for funds (and as we now know Sefton were more successful in securing Levelling Up Funding support for Bootle).

2. Town Centre Challenges

- 2.1. The imperatives for developing a new library remain. Crosby Central Library has a very significant level of risk associated with its operation day to day by virtue of the poor condition of the building. The building is in effect reaching the end of its useful life. The likely full life cost of the building and costs associated with making the building more energy efficient in line with the Councils Climate Emergency declaration and associated zero carbon ambitions would also be prohibitive. All of this means doing nothing at this time is not an option.
- 2.2. The challenge to our town centres remain, the traditional high street is not returning and finding a way to balance a repurposing of or town centres set against the current economic situation is reliant at least in part on interventions driven by public providers or community services where a town centre location is sustainable, accessible and complementary to wider objectives.

3. Health

- 3.1. The health challenges we face locally as an ageing population with poor local infrastructure and push to community based provision has been brought into particular focus over the past two years. We have local GP Service providers keen to link with a project in Crosby and we have the in principle support of the Integrated Care Partnership and Primary Care Network.

4. Highways and Access Works

- 4.1. The Crosby New Library Facility has been developed alongside a range of access, public realm and parking improvement proposals and elements of these proposals were included within the Levelling Up Fund bidding and associated consultation.
- 4.2. As a reflection of wider ongoing work linked to sustainable transport provision across the Borough, an opportunity arose in 2022 to submit a funding bid to the Combined Authority for City Region Sustainable Transport Strategy funding for access and accessibility works in Crosby Village. This bid was successful, funds of £1.54m have been confirmed and final design work and an associated planning application is in preparation. Once statutory approvals are in place the access improvements works will be carried out. A firm programme for these works is not yet in place but the expectation is that works should be underway toward the end of 2023.
- 4.3. The current position as outlined above and recognising funding as the biggest challenge to delivering the New Library has provided the driver for re assessing an Outline Business Case (OBC) for the project. To do this in a structured and formal way following a Treasury Green Book 5 Case approach and in order to

progress this piece alongside other priority work, consultants Savills were engaged to support the production of a project OBC for the New Library Project.

5. The Outline Business Case for Crosby New Library

- 5.1. Developing an Outline Business Case for Crosby New Library has involved revisiting previous work and had a start point in considering a set of options.
- 5.2. In considering options for the project and reflecting on the consultation and planning feedback, the proposal to include 30 residential apartments within the development was not included within the options considered adding no value to the project and creating additional risk.
- 5.3. What is however included within the options is a link between the two sites being the existing central library site in Waterloo and the proposed New Library ie the development of the Green Car Park in Crosby. The viability issue remains a constant throughout this process but combining the two sites as a single development opportunity together with delivery of the New Library helps address an overall position on viability. The work in production of the OBC has relied in part on the guidance provided through the planning brief prepared for the existing library site as detailed in Appendix B. Maximizing the development value on the existing library site in a manner consistent with the approved site planning brief should significantly help reduce the overall funding gap on the new library development.
- 5.4. The following three principal options were identified through a process of review and also a technical workshop:
 - a) Business As Usual (in effect 'do nothing')*
 - b) New Library Only
 - c) New Library, Health Centre and Offices
- 5.5. As set out within the OBC and this report, these three principal options were expanded to include for variation in approach to delivery and also the previous designed project which included residential on the Green Car Park site within New Library and Health Hub development.
- 5.6. It should in particular be recognised throughout that a Business as Usual option is not a low cost revenue based option. As identified elsewhere in this report, urgent capital works in excess of £1.5m have been identified in association with the current library building. This together with an identified full life cost (25 years) for the library of over £3.5m (base on 2018 Building Cost Information Service (BICS) costs plus Bank of England inflation) , there is no specific budget provision identified for these costs. There is some overlap across these costs (urgent works and full life costs) and the costs identified in addressing the energy efficiency challenges of the existing library however with construction cost inflation likely to be above Bank of England base level a full life cost update will be included in the development of the full business case (FBC) in the next stage of work.

- 5.7. The above options were then tested against a range of delivery routes which considered cost and risk to the Council.
- 5.8. In order to carry out the evaluation of delivery options a significant level of financial modeling was developed to allow for the identification of a preferred approach. This modeling and associated detail is contained in the main body of the OBC presentation within the confidential appendices to this report.
- 5.9. Each option and delivery route is tested against the following criteria to determine which option provides the best outcome this is accordance with the Treasury Green Book 5 case model:
 - a) The Strategic Fit
 - b) The Economic Case
 - c) The Commercial Case
 - d) The Financial Case
 - e) The Management Case
- 5.10. The tables in Appendix D summarise the strategic case and best fit from the options considered, the OBC explores these in more detail and other elements of the case in identifying a preferred option(s):
- 5.11. In summary this process concludes that the provision of a New Library, Health and Office development on the Green Car Park site in Crosby Town centre is the best option based on the modeling used. Within the OBC there are in outline two principal ways to deliver the new library and Health Hub, one led by the Council with the Council acting as developer and taking all the associated control and responsibility for the project. The other way to deliver the scheme would involve the Council working with a third party to build and operate the New Library Development, this would see the Council as a tenant of the new building under the control and management of a third party.
- 5.12. Based on the evidence and outcome of the Outline Business Case Modeling direct delivery of the Crosby New Library Project by the council represents overall the best 'fit' and the most beneficial route to deliver and operate the new library and associated health and office facility. The preferred Options 3 & 8 both involve the Council directly delivering the New Library and Health Hub. The difference between the two and reason for carrying both into the Full Business Case process is to consider the most beneficial way to redevelop the existing Library site, whether directly developed by the Council or through a managed disposal to a suitable third party developer.