

Report to:	Cabinet	Date of Meeting:	7th December 2023
Subject:	Crosby New Library Outline Business Case Update		
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Exempt / Confidential Report:	NO, but Appendix A, the Outline Business Case, is NOT FOR PUBLICATION by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.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 Cabinet agreed in August 2023 to proceed with the development of a new Library in Crosby as a stand-alone project. Cabinet also reiterated its support for the existing Library in Waterloo. That position is unchanged, and work is proceeding in relation to both.

On this basis there was a need to revisit the previous Outline Business Case for the New Library and refresh this.

Work is continuing in progressing the Crosby New Library project with a planning application in progress to secure alongside other highways and car park works, an outline consent for the new library on the Green Car Park site in accordance with the Crosby Investment Strategy and Crosby Village Supplementary Planning Document.

Alongside this work, revised design and technical work is ongoing and a Full Business Case (FBC) is in preparation in support of the project which will be reported once complete to allow further consideration of the detail design and associated costs of delivering the project in full.

Recommendation(s):

That Cabinet

(1) Approve the content of the revised and updated Outline Business Case for the Crosby New Library Project.

Reasons for the Recommendation(s):

The revised Outline Business Case for the Crosby New Library project sets out the position of the project.

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

The report to Cabinet in May 2023 set out the range of options considered in progressing the New Library project, the majority of which remain valid in the context of the Outline Business Case (OBC) update as detailed in the appended OBC report (Appendix A/B). The only variance in the updated OBC being the revenue cost implications based on the loss of any receipt from disposal or redevelopment of the existing library site at Waterloo which might have offset part of the capital cost reduced the borrowing requirement and hence revenue implications of the project.

Without an update of the previously presented Outline Business Case (OBC) the project financing requirement would be misrepresented and any subsequent work on a Full Business Case (FBC) would be unsound. On that basis and without a sound business case, the risk would be that the Crosby New Library project could not proceed to delivery.

What will it cost and how will it be financed?

(A) Revenue Costs

Operating Costs

The revised Outline Business Case accounts in full for the costs of the provision of the library service from the new centre (based on the operating costs of the library in Waterloo – this will be reviewed as part of the development of the Full Business Case), it also accounts for additional costs associated with the full operating and full life costs associated with the new library building. These are estimated to result in net income to the Council of £(0.009)m per annum which will need to be built into the Council's Medium Term Financial Plan (MTFP) if the Full Business Case (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 5.87% would be £0.902m per annum. This cost will vary depending on movements in interest rates and this will be considered as part of the Full Business Case (FBC).

This would also need to be included within the Medium Term Financial Plan (MTFP) meaning that the total amount that would need to be found would be £0.893m per annum. This is currently a high-level estimate based on benchmarked costings. It does not account for the significant inflationary pressures in the market, and it does not take account of key costs including developer profit or finance costs therefore it is likely that this estimate will increase as work progresses.

Design Fees

Should the scheme not be approved, then it will not be possible to capitalise the design costs and they will, therefore, need to be funded from revenue sources.

(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 Medium Term Financial Plan (MTFP).

Inflation within the construction sector in particular needs to be considered in the period since these high level estimates were provided in 2022 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.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):
All implications are considered within the report and the OBC.
Legal Implications:
All implications are considered within the report and the OBC.
Equality Implications:
The Crosby New Library project will promote good community relations, help reduce disparities amongst different groups, and help strengthen integration across the local community.
A full Equality Impact Assessment (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.
The provision of 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 Crosby New Library and Health Hub will make additional provision for children and young people to access services in a new fit for purpose high quality provision in Crosby.

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 Very Good or equivalent standard in this way helping the Council move towards meeting its zero carbon goal.

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 Councils 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:

Facilitate sustainable economic prosperity:

Greater income for social investment:

Cleaner Greener

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD.7425/23.) and the Chief Legal and Democratic Officer (LD.5625/23) 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.

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 currently ongoing.

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: Outline Business Case Redacted

Appendix C: Options Appraisal

Background Papers:

There are no background papers available for inspection.

1. Introduction/Background

In May 2023 a report was presented to Cabinet to update on progress in work to develop and deliver a new library for Cosby. This new Library will incorporate the highest standards of design and sustainability and provide a focus for local service delivery not only for library services delivery from this location but also for the provision of new health facilities in the form of new accommodation for local GP services.

The new library proposal formed the basis of two submissions to Government for Levelling up funds but whilst recognised for the quality of content of the bids, the project failed to secure funding through this highly competitive process.

In recognising both the need and the opportunity to further develop the proposed new library and health provision for Crosby and in the absence of external funding, members committed to a process of preparing an outline business case to deliver the project directly and work was set in motion to produce an Outline Business Case for the project.

Subsequent to the development of the Outline Business Case (OBC) and reporting of this to the Council's Cabinet in May 2023, a commitment was made to separate the provision of the new library in Crosby from the existing library in Waterloo into two projects.

One of the consequences of this commitment was that there was recognition of an associated requirement to revisit the Outline Business Case as previously presented in support of the project, to exclude any 'cross subsidy' linked to the sale or redevelopment of the Waterloo site. Work is now complete on the update of the Outline Business Case (Appendix A/B) and the purpose of this report is to bring this to the attention of members. The Outline Business Case will now also inform the developing Full Business Case (FBC) for the project which is underway alongside technical design work associated with the current proposals for the New Library project as agreed by Cabinet in May 2023.

At Appendix C a summary can be found of the revised OBC Options Appraisal which identifies the preferred option which will be used as a basis for the development of the Full Business Case (FBC) as part of the on-going process of pre-development agreed by Cabinet in May 2023.