



Friends of Carnegie Library, Crosby

FOCAL
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SUPPLEMENTARY INFORMATION
OCTOBER 2013 IN SUPPORT OF
EXPRESSION OF INTEREST

**A business case to Sefton Council for the asset
transfer of Carnegie Library, College Road,
Crosby, as a community resource.**

August 2013

"I declare after all there is no enjoyment like reading...I shall be miserable if I have not an excellent library." - Jane Austen, Pride & Prejudice, Chapter XI.

BACKGROUND TO SUPPLEMENTARY INFORMATION

During a meeting on 24th September 2013 FOCAL's Steering Group members responded to question from the Council Officers on matters comprising:

- Legal
- Governance
- Property and
- Financial

1. Legal and Governance:

A substantial document was provided to the Council's Legal Officer, describing our proposed form of Governance, our rationale and the indication that currently we anticipate progressing towards a Charitable Incorporated Organisation (CIO).

Since 24th September we have spoken to Brabners Solicitors regarding the form of Governance and are currently seeking Pre-feasibility Grant funding via "My Community Rights."

FOCAL believe we have adequately responded to the Council's requests at this stage in the application process. Once we progress in negotiations with the Council we shall engage further legal advice to formally apply for CIO registration.

2. Property:

Officers advised that they could not warrant the accuracy of their consultant's Condition Report and advised FOCAL to independently commission a Condition Report. To assist FOCAL's understanding of the current building condition a request was tabled for copies of current Statutory Testing Reports and current building floor plans. The majority of this information was provided on 30th September 2013 but FOCAL has raised concerns about the Gas Boiler survey and the accuracy of floorplans.

FOCAL were also concerned that several areas of the building, namely the Boiler Room, Clock Tower, Loft Spaces, water storage facilities and floor ducts were inaccessible and generally omitted from the condition survey or other specialist surveys. Without such data or the ability to inspect, Officers will appreciate FOCAL's difficulty in devising a definitive maintenance programme and cost within the current financial model.

FOCAL have however obtained a quotation for a building condition survey with costings to show short, medium and long-term budget requirements. Funding for this survey is also being sought via a Pre-feasibility Grant application from “My Community Rights.” Meanwhile, we have tended to rely on the historic data provided to us by Sefton Council to help inform our updated financial plan.

The largest single identifiable cost – circa £42k - within Sefton’s own Condition Survey is attributable to the boiler and associated mechanical services installation. However, following a visual inspection by FOCAL’s Engineers on 10th October 2013 we believe the boiler should not require immediate replacement but we have prudently allowed an annual ‘sinking fund’ for maintenance and ultimate replacement.

Officers commented that upon closure of the Library in December 2013, the book-stock would be re-located, the electrical system serving the alarms would remain but the boiler plant would be shut down to save energy costs. FOCAL expressed concern about the detrimental effect this could have on the fabric and historic timber joinery within the Listed Building.

FOCAL have responded to the Council’s comments regarding alarm and key-holder services and a quotation has been obtained from Sefton Security Services which has been included in the updated financial model.

Representatives of FOCAL met the Council’s Senior Conservation Officer on site on 3rd October 2013 to discuss issues of Planning, Listed Building Status and items which may necessitate Statutory Application. FOCAL were encouraged by the Conservation Officer’s response to our proposals and intend as soon as practicable to lodge a Pre-Planning Application for Enabling Development to determine those items which will require Listed Building Consent and/or Planning Consent. Our business plan proposals for complementary income generating uses in a small ‘*de minimis*’ area of the building are unlikely to necessitate Change of Use application but may require Planning or Listed Building Consent (LBC). Reference will also be made to the original 1904 Architects’ drawings, held by Sefton’s Planning Department, by Andersson & Crawford which illustrated the building’s original layout and uses.

A meeting is being arranged with the Council’s Tree Officer to determine the extent of tree surgery which can take place to help restore the building to its former prominent appearance and to reduce leaf-fall into the building’s rainwater system.

Council Officers clarified that all PCs and File Server would be removed from the building prior to closure. FOCAL have therefore obtained a quotation for hardware and software for library and public use, and which is included in the financial model.

The Council's Officers indicated that they would probably offer a 25 year Full Repairing and Insuring Lease, rent free for the first 5 years but reviewable thereafter. Whilst FOCAL had hoped for a peppercorn rent for the full lease period they believe in principle they could effectively operate within such parameters but would naturally require to take independent Legal and Property advice once a draft Lease was available for comment.

FOCAL's application to have Carnegie Library Listed as an Asset of Community Value is progressing through the Council's democratic system and we believe a case will be presented on 14th October to the relevant Cabinet Member in support of our application.

3. Financial:

At the meeting on 24th September, Council Officers advised verbally for the first time that in their financial models, FOCAL should not rely on any one-off financial assistance from Sefton Council to address the Council's backlog maintenance at Carnegie Library, estimated by Sefton MBC's surveyors as over £140k. Nor was any funding likely to be available for what could normally be considered 'Landlord Responsibilities.'

FOCAL's Expression of Interest assumed that a proposal of this magnitude from a community group would be eligible for 'one-off' funding from the Council's Community Support Fund (£1m) or the Capital Priorities Fund (£1m), approved by Cabinet on 20th June 2013 and 25 April 2013 respectively. This assumption was based on comments by local Elected Members at both at our public meetings and in the media.

Furthermore, the Council's report on the CSF states that the "*Community Support Fund which also has a key imperative to contribute towards the enablement of other organisations to provide services that are valuable to local communities and individuals that the Council can no longer afford to do*".

Immediately following the 24th September meeting, FOCAL requested to meet with the Neighbourhoods Officer responsible for managing the CSF process and to make formal application for financial assistance. As a result of the Officer's diary commitments, that meeting has not yet taken place and our financial model therefore has not yet incorporated any potential 'one-off' support from the Council for FOCAL to take on the running of Carnegie Library as a community facility.

Naturally, such funding would be extremely welcome for FOCAL as a newly developing community group and would relieve some of the pressure on our volunteers in pursuing external funding during our initial operating period.

Officers expressed concerns that FOCAL's provision for Repairs and Maintenance was insufficient, based on the Council's recent experiences. This has consequently been increased by some 20% above Sefton's last recorded budget.

In the initial E.O.I. FOCAL had indicated that they were seeking charity status which would generate an 80% reduction in Council Tax and that Sefton Council would use their discretion to waive the remaining 20%. However, Officers have now indicated that the Council would be unwilling for reasons of maximising their income, and hence our financial model is adjusted accordingly.

Our revised financial model indicates provision for a disabled persons toilet and small kitchenette. Discussion with the Conservation Officer suggested that this could be discretely located in the south-east corner of the current Work Room, subject to LBC. Provision of £30k has been made for this one-off capital item, for which we shall be seeking a Capital Grant or assistance from the Community Support Fund. The present staff toilet, dating from 1904 is wholly unsuitable to modern public use. The installation of new sanitation facilities are important for us to achieve our objectives of making the building fully accessible for a range of community uses, especially the very young, the elderly or disabled library users.

In the absence of support from the Council and, subject to the state of deterioration of the boiler, we have allowed an annual 'sinking fund' for maintenance and ultimate replacement with a more efficient product and with more flexible control components.

We have increased our Contingency provision from £1,000 to £5,000 p.a.

Whilst reviewing our budget costs we have also taken the opportunity to review our sources of income in order to create a sustainable product.

We have discussed with Sefton CVS a variety of Charities and Private Companies as potential providers of **capital or revenue grants**, including, but not exclusively:

- *United Utilities Community Fund*
- *Tudor Trust*
- *Esmee Fairbairn Foundation*
- *Tesco Community Fund*
- *Biffa*
- *Veolia Trust*
- *Garfield Weston*
- *Sainsbury Community Investment*

- *Various high-street Banks.*

Several people within the local community have indicated their commitment to safeguarding Carnegie Library and have offered **personal donations and/or interest-free loans.**

Our financial model also indicates ongoing support via **annual membership** of FOCAL. We are discussing with College Road Traders the possibility of using membership of FOCAL as a 'Loyalty Card' offering a monthly coffee, or discounts at the local shops.

Further income would be obtained by affordable **lettings to community groups**, e.g. Chess Club, Bridge Club, Art Group, Writers' Club, Chair-based fitness groups, ICT learning, amateur dramatics.

Other income would be derived from **commercial lettings** to start-up businesses, mini-enterprises, arts and craft sales, or hot-desking, as we described in 3.4 of our Expression of Interest. We also see the current first floor staff room as potential lettable space for a self-contained private office. All this could be achieved with negligible alteration to the building fabric and due to its limited floor area would not be deemed a fundamental Change of Use.

Indeed such uses accord with the aims of Andrew Carnegie namely, *"to promote wellbeing and to extend access to education and opportunity"*. (Letter from Carnegie Trust UK Chief Executive – 10th July 2013).

4. Five year financial projection

We have projected forward our financial model for the first 5 years of our operation.

Costs

Our year-on-year costs assume:

- Maintenance provision increasing by 3%
- Energy costs increasing by 5%
- Computer hardware software nominal costs after initial capital outlay
- Microlibrarian costs limited to service charge after year 1.
- Other costs showing marginal increase or remaining static.

Income

Our year-on year income assumes:

- Annual decline in sale value of Videos

- Reliance on grants from charities/private companies tapering
- Private donations reducing after year 2
- Fundraising reducing after year 3
- No inflationary increases through lettings.

Balances

Year 1 will clearly be the period when the greatest capital outlay is required but we anticipate generating a modest balance which would carry forward into year 2.

Balances would thereafter fluctuate annually, based on gradually increasing annual costs and a general reduction in reliance on Grants.

Nevertheless by the end of year 5 we anticipate the accounts remaining in credit with a balance representing approximately 3.4% surplus over costs.

5. Conclusion

FOCAL believe that in light of their present knowledge about the building and the Council's response to one-off funding requests we have provided a realistic and sustainable financial model, demonstrating viability over the first 5 years of our stewardship and which would not require on-going financial support from the Council.

Naturally, we would be happy to meet again with Council Officers and/or Members to respond to any items requiring clarification.