

| MAYOR & CABINET | | | |
|----------------------------|--|----------|-------------|
| Report Title | Library Service - asset transfer proposals and provision of community library facilities | | |
| Key Decision | Yes | Item No. | 5 |
| Ward | Blackheath, Sydenham, Crofton Park, Grove Park, New Cross | | |
| Contributors | Executive Directors for Community Services, Resources and Regeneration | | |
| Class | Part 1 | Date: | 11 May 2011 |

1. Purpose

On 17 February 2011, Mayor and Cabinet agreed to the closure of Blackheath, Sydenham, Crofton Park, Grove Park and New Cross libraries with effect from 28 May 2011. The Mayor requested officers to pursue the potential for asset transfer to deliver community library facilities in the affected neighbourhoods and to report the outcome in due course to Mayor & Cabinet. This report sets out the outcome of this work.

2. Recommendations

The Mayor is recommended:

- 2.1 to note the outcome of the process to pursue potential asset transfer of Sydenham, Crofton Park, Grove Park and New Cross libraries;
- 2.2 to agree to the transfer of Grove Park, Crofton Park and Sydenham libraries to Eco Computer Systems by way of the grant of up to a 25 year term full repairing and insuring lease for each building on the main terms set out in section 11;
- 2.3 to delegate authority to negotiate and finalise the final terms of the leases and all associated documentation to the Director of Programme Management & Property, on the advice of the Head of Asset Strategy & Development and the Head of Law, to ensure the delivery of the community library facilities and to ensure that the Council's interests are sufficiently protected;
- 2.4 to delegate authority to the Director of Programme Management & Property, on the advice of the Head of Asset Strategy & Development and the Head of Law, to agree interim arrangements with Eco Computer Systems pending the leases referred to at recommendation 2.2 being entered into so as to enable community library facilities to be

provided from these buildings with effect from 29 May 2011 or as soon as possible after this date;

- 2.5 to note the position set out in paragraph 6.30 and instruct officers to continue to seek alternative users for New Cross library; and
- 2.6 to agree the proposal from Age Exchange for Blackheath set out in Section 8 of this report, including the one off financial support for the project.

3. Policy Context

3.1 *Shaping the Future*, the Council's Sustainable Community Strategy includes the following priority outcomes which relate to the work of the Library and Information Service and reflect the Council's aspirations for the service:

- **Ambitious and Achieving** – where people are inspired and supported to fulfil their potential.
- **Empowered and Responsible** – where people can be actively involved in their local area and contribute to supportive communities.
- **Healthy, Active and Enjoyable** – where people can actively participate in maintaining and improving their health and wellbeing.
- **Dynamic and Prosperous** – where people are part of vibrant localities and town centres, well connected to London and beyond.

3.2 The Library and Information Service also contributes to the following Council Priorities:

- **Community leadership and empowerment** – developing opportunities for the active participation and engagement of people in the life of the community.
- **Strengthening the local economy** – gaining resources to regenerate key localities, strengthen employment skills and promote public transport.
- **Active, healthy citizens** – leisure, sporting, learning and creative activities for everyone.

3.3 The Quirk Review of community management and ownership of public assets was published by the Department for Communities and Local Government in May 2007. It found that while there are risks and practical challenges involved, there are no insurmountable obstacles to successfully transferring assets to community management and ownership. In July 2008 Mayor and Cabinet agreed an Asset Transfer Framework to provide a basis for identifying, assessing and making decisions on potential assets where ownership could be transferred in a way that is transparent, consistent and linked to wider strategic objectives.

4. Background

- 4.1 The Council faces an extremely challenging financial environment. In summary, the reasonable working expectation before the announcement of the Comprehensive Spending Review (CSR) on 20 October 2010 was that net savings of £60m over the period 2011/12 to 2013/14 would be required, or approximately 25% of the Council's service budgets. The provisional Local Government Settlement was received on 13 December 2010. This set out a two year Settlement and indicated a 26% cut in Local Government support over a four year period, requiring total savings of £88m. This information was reported to the Mayor on 17 February 2011 and on to Council as part of the budget and council tax setting process.
- 4.2 On 14 July 2010, the Mayor endorsed the Council's financial survey 2011/14 and instructed officers to develop and consult on the options for savings in Phase 1 detailed in the report of that date, and to report back with proposals in November 2010.
- 4.3 Following on from the July Mayor & Cabinet meeting, officers set up a series of public meetings about the future of the Library and Information Service. These meetings were very well attended and have contributed significantly to consideration of the proposal and the options set out in this report. Nationally, library services are held very dear by many citizens who have a strong sense of their history as one of the principal achievements of late 19th century municipalism. They have a strong belief that they offer a highly valued service today. The sense of history is important in this context: it has left the Council with buildings which are not necessarily appropriate for the delivery of a modern library service, albeit that some of them are well-respected examples of local architecture in their own right.
- 4.4 On 17 November 2010 the Mayor decided to defer consideration of the savings proposal for the libraries service in order to provide an opportunity to test the level of community interest in library buildings. Officers then undertook an informal exercise to determine the level of potential interest in the 5 library buildings scheduled for closure. The exercise involved an advert inviting interest, approaches to individuals and organisations who had previously expressed an interest and the provision of relevant information.
- 4.5 The expression of interest indicated that the Council's likely terms of agreement would include:
- to allow the Council to install electronic library self issue technology
 - to allow library staff reasonable access to the building
 - the Council would grant a long term full repairing lease (rent to reflect building condition) with a commitment to community use or transfer of the freehold (if available) providing this did not remove all barriers to continued community use.

4.6 As a result of this process, in January 2011, 13 organisations submitted an expression of interest in becoming an anchor organisation for one or more of the library buildings and taking on full responsibility for the management and maintenance of the buildings. On 17th February 2011 the Mayor and Cabinet agreed the closure of Blackheath, Sydenham, Crofton Park, Grove Park and New Cross libraries with effect from 28th May 2011. Officers were formally requested to pursue the potential for asset transfer to deliver community library facilities in the affected neighbourhoods and to report the outcome in due course to Mayor & Cabinet.

5. Libraries Strategy

5.1 The public library service is very different today from that offered when it was first established, or indeed from that offered in even the latter part of the 20th century. However, the core function of the service, linked to self-improvement and access to services and information, is very much alive. Libraries are still a place where books may be borrowed, although nationally issues are in decline. Modern libraries also offer access to the Internet, a range of other media that may be borrowed or accessed (including eBooks), and they are increasingly used as a community facility, for example for story-telling and other activities for children and families.

5.2 In May 2008, the Mayor's Commission on Libraries and Learning was established to identify and respond to the challenges and opportunities faced by the Borough in developing library and adult learning services across Lewisham. The Commission's recommendations have laid the basis for the Library and Information Service's strategic direction. The strategic approach highlighted in the report to Mayor and Cabinet of 17 February 2011 is based on the following principles:

- While embracing the spirit and the vision of the Commission, the Library & Information Service recognises that a radical approach is needed to respond to the challenges that the Council faces.
- The Council is confident that a developmental approach is possible, if it includes the collaboration of new partners, such as the third sector.
- The Service is able to build on its experience of developing community capacity.
- The Service is committed to increase the use of new technologies, including self-service.
- The Service is keen to expand its cross boundary work, to enhance services and deliver efficiencies.

5.3 An essential element of any bid to take on a lease of one of the library buildings earmarked for closure is the requirement to work with the Council to facilitate the delivery of community library facilities.

- 5.4 The Council's vision for community library facilities includes a local library resource that is supported and facilitated by a third party but linked to the Council's library service. The exact nature of these library services will vary depending on the locality in which the offer is based and the nature of the host organisation but all library service provisions will reflect the basic principles of free public access to reading and information for all.
- 5.5 A community library presence will include a stock of quality, relevant books provided by the library service. Stock will be selected based on usage and need and will be catalogued by the library service and delivered to the building ready to go on the shelves. In addition to the stock held within the building, local residents will have access to over 5 million items through the London Libraries Consortium which can be reserved in any library and online.
- 5.6 The Council will work with each host organisation to develop a programme of reader development activities that complement other activities taking place in the building, reflect the skills and interests of the host organisation, reflect the needs and interests of local residents, and provide access to national and regional programmes. Examples of these include:
- Projects to encourage children to read such as Chatterbooks, Bookstart, Bookcrawl and the Summer Reading Challenge
 - Reading groups for all ages and communities of interest
 - School class visits
 - Black History Month and Lesbian Gay Bisexual & Transgender History Month
 - Homework clubs
 - Author visits and readings
- 5.7 The Library & Information Service is going through a restructuring which will fundamentally change the way in which the service operates. The new, flatter set-up is based on a Business Development Unit delivering audience and product development, and Business Delivery Units which will interface with the audiences day-to-day.
- 5.8 The new structure introduces a Community Engagement Team that will support operational staff and partners in the community in delivering community library facilities.
- 6. Process to consider the potential for asset transfer**
- 6.1 Following the February 2011 meeting of Mayor & Cabinet, officers immediately progressed work to invite formal responses from organisations in relation to Crofton Park, Grove Park, Sydenham and New Cross library buildings (section eight of this report deals with the separate process for the Blackheath library). Appendix 1 sets out the

Application Pack made available to interested organisations on 11 March.

6.2 The process followed for consideration of applications is set out below:

| EVENT | DATE |
|--|------------------|
| Notice issued | 7 March 2011 |
| Application Pack available | 11 March 2011 |
| Appointment Day | 22 March 2011 |
| Deadline for pre application clarification questions | 23 March 2011 |
| Deadline for Applications | 4 April 2011 |
| Community Interest Event | 12 April 2011 |
| Post application clarification | 18-25 April 2011 |
| Decision by Mayor & Cabinet | 11 May 2011 |
| Agreement of lease/transition arrangements with preferred Applicant(s) | 12-28 May 2011 |

6.3 On 4 April 2011 bids had been received from 4 organisations as follows:

| Bid |
|-----------------------------------|
| WE THINK Literary Learning Centre |
| Eco Libraries |
| Family Services UK |
| New Testament Church of God |

6.4 An officer Evaluation Panel comprising of staff from Finance, Legal Services, Library and Information Services, Community Sector Unit and Asset Strategy was established to consider the four bids.

6.5 A Community Interest Event was held on 12 April and bid clarification meetings were held with all four bidders on 19 April to provide an opportunity for officers to fully understand the proposals and for groups to clarify any outstanding questions.

Community Interest Event 12 April 2011

6.6 The Council held the Lewisham Libraries - Community Interest Event on 12th April 2011 between 4-8pm in the Civic Suite. Representatives from all four bidding organisations attended. Each bidder displayed information about their bids and answered any questions that were raised by members of the community. The event was advertised widely and was attended by 86 people including a number of ward councillors. Attendees were invited to fill in comment forms either while at the event or by email after the event.

6.7 The comments were taken into consideration in assessing the community benefits and community involvement aspects of the bids.

- 6.8 At the event 51 comment sheets were submitted in total. 21 comments were received about the Eco Libraries bid, 12 comments were received about the WE THINK Literary Learning Centre bid, 6 comments were received about the New Testament Church of God bid, 3 comments were received about the Family Services UK bid and 9 comments were submitted that did not refer to a specific bid. 3 comments were subsequently sent in by email. These comments are summarised below.

Eco Libraries Proposal submitted by Eco Computer Systems:

- 6.9 The bid was praised for grasping what people wanted from their local library, for the community involvement that has already happened during their various community consultations and because their business model appeared viable and realistic. Concerns were raised because their IT activities were not easy to link with the general concepts of libraries, they had not provided enough information on the day about finance and risk management.

New Testament Church of God:

- 6.10 The bid was praised for being community orientated, providing services which would be useful locally and for being well organised. Concerns were raised because they had not displayed much understanding about how to run a library and the bid did not appear to be financially sustainable.

Family Services UK:

- 6.11 The bid was praised for the benefit that the service offered would bring to the local community and because the proposal was interesting. Concerns were raised because they appeared unsure about how the library service would be run and managed and because there was little evidence of community consultation.

WE THINK Literary Learning Centre

- 6.12 The bid was praised for the activities it was planning to offer to young people and for the enthusiasm of the bidders. Concerns were raised about the financing of the bid, the lack of activities for older people and the failure to adequately consult local residents.

Final Bid evaluation

- 6.13 The Evaluation Panel reviewed the original submissions, the results of the clarification meetings and the community interest event. Appendix 2 sets out the Evaluation findings and the following is a summary.

WE THINK Literary Learning Centre submitted by DR4 and the Lewisham Community Sports Community Interest Company

- 6.14 This bid expressed an interest in all four libraries initially but subsequently concentrated on Crofton Park, Grove Park, and Sydenham combining 16 hours a week free library access at each library with other activities users would pay to access including arts-based events and clubs, hire for parties, public meetings and related events. The bid proposed using the planned £236K one-off transitional funding to support the first year of operations under a Service Level Agreement with the intention of aiming to transfer ownership by March 2012.
- 6.15 The original bid appeared to be non-compliant and no score was given. Following the clarification meeting it became clear that the organisation was prepared to take responsibility for buildings although they still expected the Council to provide some funding support. Therefore following the clarification meeting the bid was given an overall score of 17%.
- 6.16 Some areas of concern identified in the bid were as follows:
- There was no capital funding plan.
 - The bid requires substantial, ongoing funds from the Council to become viable.
 - The revenue plan did not add up correctly and did not appear to properly reflect the likely income and expenditure.
 - The proposal to spend the transitional funding in year 1 on running costs represented a significant risk of not getting value for money from that resource.
 - The bid required the Council to fund the cost of repairs and maintenance for the buildings until March 2012 at the earliest.
 - There was no evidence of demand for the services proposed.
 - The capacity of the organisation to undertake this type of work at this scale was not demonstrated.
 - There was no evidence that the aspirational franchise model would work.

The panel noted that the Lewisham Community Sports Community Interest Company did present ideas for involving the community and had a track record of successful work with local schools.

Eco Libraries Proposal submitted by Eco Computer Systems

- 6.17 This bid expressed an interest in all four libraries and sought to combine community library facilities with IT recycling and training. It also included a proposal to increase the opening hours to 52 hours per week using self-issue technology to allow a further extension of opening, as has been achieved at Downham Library. Each building will continue to be primarily used as a library facility, with the addition of other mutually supportive uses that will either generate income to help run the building or generate footfall, or both. The vision for each

building is to add a community café, drop off point for IT equipment, heritage collection, IT training area and meeting rooms

- 6.18 The bid was given an overall score of 61% by the panel. The consensus was that the bid had merit and built on current successful activity in Pepys. The bid also demonstrated strong engagement with the local community.
- 6.19 At the clarification meeting, the bidder:
- Presented Eco Computer Systems' current finances and explained their current work to establish the "Eco Libraries" charity which will be consistent with requirements of the Charity Commission.
 - Clarified the robustness of the 5 year revenue and expenditure plan, particularly at the scale of activity proposed.
 - Provided evidence for projected turnover particularly in relation to IT sales.
 - Provided details of current and potential funders, particularly those such as social housing providers that may have a particular interest in specific library sites.
 - Gave an indication of the extent to which the use of volunteers in day-to-day running and strategic management is viable and compliant with legal requirements for example on planned preventative maintenance.
 - Confirmed the idea of installing a team of Community Hub Managers gradually across library buildings.
 - Expanded on their understanding of the potential risks and their mitigation.
- 6.20 However, the evaluation panel were concerned about the viability of the bid given the scale of growth this would imply for the company and the robustness of the 5 year revenue and expenditure plan, particularly at the scale of activity proposed. The company's turnover in 2010 was less than £50k and, should their plan to take responsibility for all four libraries be realised, it would increase their turnover by around £400k. This level of growth would require the organisation to manage change effectively and would be a strain on their management capacity.

New Cross Library Bid Development Plan submitted by Family Services UK

- 6.21 This bid was specifically in relation to the New Cross site and sought to combine Family Services UK's existing mental health and related family services with continued operation of library services.
- 6.22 During the initial assessment the consensus was that the bid fell below an acceptable level. However at the clarification meeting additional concerns were identified. The bid was given an overall score of 30% by the panel. The main areas of weakness identified were:

- The absence of clear plans for managing and improving the current condition of New Cross Library. For example the bid did not identify any capital works.
- How Family Services UK propose to manage the building and where the capacity within the organisation exists to fulfil that role.
- How the proposals relate to the layout of the building.
- Confirmation of sources of income, an understanding of the likelihood of receiving this income and alternative plans should one or more bids for funding not be successful.
- An understanding of the risks and how these can be mitigated.
- Identification of the benefits of the planned additional services and how these relate to the community library service.
- The meaning of qualifications/uncertainty in the bid in relation to the future of the community library service
- An understanding of the concerns of the local community in relation to the use of this building and how it will respond to these concerns.
- Family Services UK confirmed reliance on Council staffing for the provision of library services.
- Family Services UK confirmed their intention to operate from two premises, their current one (until the end of the current contract) and from the library.
- An over reliance on unidentified community support.

Proposal for the leasing of Sydenham Library submitted by the New Testament Church of God (Sydenham)

- 6.23 This bid was specifically in relation to the Sydenham site and sought to offer programmes for the unemployed and youth activity alongside continued operation of library services.
- 6.24 The bid was given an overall score of 33% by the panel. The consensus was that this bid fell below an acceptable level. At the clarification meeting the bid failed to produce any new evidence to allay the main areas of weakness identified, namely:
- The constitution did not appear to be a formal document.
 - The level of insurance was inadequate.
 - The proposal to spend the transitional funding in year 1 on running costs represented a significant risk of not getting value for money from that resource.
 - The proposed level of spend on refurbishment did not address the needs of the premises as set out in the condition survey.
 - Funding had not been secured, although rent, rates and maintenance costs would all be met through these sources. It was unclear how central government grants identified could be used for the purposes proposed.
 - It was unclear how the expected income of £15k in year 1 from light refreshments would be achieved.
 - The capacity to manage the building was not demonstrated.
 - The benefits of the services offered were not explained/unclear.

Summary

- 6.25 The bids scored as follows: WE THINK Literacy Learning Centre/DR4 (3 sites) scored 17%, Eco Computer Systems Ltd (all 4 sites) scored 61%, Family Services UK (New Cross site) 30% and, the New Testament Church of God (for Sydenham library) 33%.
- 6.26 Officers are therefore unable to recommend the bids from WE THINK, Family Services UK and the New Testament Church of God as none of the bids are of an acceptable standard.
- 6.27 The clarification meetings enabled officers to examine in greater detail the bids received and issues raised at the Community Interest event, with the organisations concerned. At the Community Interest event concerns were raised about the Eco Systems bid concerning the relationship between their IT activities and the library offer proposed, and the risks associated with their finances. At the clarification meeting Eco Computer Systems clearly set out their proposals for community library facilities and how this could work with their existing IT business. In addition they demonstrated that they understood the financial risks and how these could be managed.
- 6.28 The bid from Eco Computer Systems is well thought through, has strong community support and has a detailed Business Plan for each site. The bid proposed using the four library buildings as mixed-use community hubs each including a professionally managed library service fully integrated with the borough's library service. This activity would be supported through income generated by sales of recycled IT equipment as well as income generated from training, a community café and other activities. Eco Computer Systems is currently in dialogue with a range of potential funders and is confident that a sustainable mix of investment will be generated to meet the need of the on-going maintenance of the buildings. However, officers remain concerned that taking all four buildings will be a very significant increase in activity for a relatively small company with consequent risks of financial failure.
- 6.29 Eco Computer Systems have identified external funding of £35k relating to Grove Park and Sydenham libraries and transferring these buildings would lever in this investment. For this reason Grove Park and Sydenham libraries are recommended for transfer.
- 6.30 Officers are concerned about the risk of organisational failure due to too rapid growth of Eco Computer Systems (see paragraph 9.3-9.5) and are of the view that they should only be offered leases for three of the four buildings. Of the 2 other buildings (Crofton Park and New Cross) the Crofton Park library has a restrictive covenant (see paragraph 10.7) that restricts the main use of the building to that of a public library. The proposals for Crofton Park library also had very strong community support. New Cross library occupies the ground floor of a property with flats above. The basis on which this property was

offered for potential asset transfer was an internal repairing lease with a service charge to cover the costs of external repair and insurance. The fact that there is a service charge means the lessee will not be in the position to manage and control expenditure on repairs and maintenance leaving a level of financial uncertainty for any lessee and adds to the risks of any organisation taking on a lease of this kind. Further, New Cross library could lend itself to an alternative shop use that would influence the potential site value. For these reasons it is recommended that the third lease that Eco Computer Systems be invited to negotiate is for Crofton Park rather than New Cross.

- 6.31 At this stage there are therefore no organisations recommended for New Cross library. It is proposed that officers enter into more detailed discussion with Lewisham Homes, the current landlord, to fully explore a partnership approach that would secure a long term community use of the part of the building currently occupied by New Cross Library. A number of local organisations have expressed an interest in renting or hiring space within the building but did not have the capacity to take on full management of the building. Officers will continue to work with these organisations and Lewisham Homes in an attempt to secure long term community use of this building without reliance on public subsidy. Officers will also continue to explore options for providing community library facilities in the locality either from the existing premises or elsewhere. New Cross Library will therefore close on 28th May 2011 but officers will conduct the additional work described above as swiftly as possible to secure solutions for use of the building and provision of community library facilities as swiftly as possible.

7. Next Steps

Subject to agreement of the Mayor, officers will now work with Eco Computer Systems to agree final lease terms with them for Grove Park, Sydenham and Crofton Park libraries. Officers will also negotiate interim arrangements with Eco Computer Systems to allow them to begin to implement their plans for community library facilities at the three buildings from 29 May 2011 pending the leases being entered into. Work will also continue to secure a suitable long-term sustainable use for New Cross library working with local organisations.

8. Blackheath and Age Exchange

- 8.1 Blackheath Library is currently operated from a building that is not owned by the Council but leased from a third party at a commercial rent. For this reason Blackheath could not be considered for an asset transfer along with the other four library buildings. Instead officers set out to find separate solutions for the building and the provision of community library facilities.
- 8.2 Blackheath Library is subject to a long lease and officers have been working with a local estate agent to seek an assignment to another

organisation at no cost to the Council. Discussions are still in progress but officers are confident that agreement can be reached for an assignment of the lease. Proposals for a community library facility to be delivered from Age Exchange's building in Blackheath have been received and are set out below.

- 8.3 The Chair of the Trustees of Age Exchange has approached the Council with a view to relocating the village library function to the Reminiscence Centre thereby creating a sustainable and attractive community centre in the heart of Blackheath, guaranteeing a continuing library service and securing the future of the Reminiscence Centre. The centre would be professionally managed by Age Exchange and staffed by trained volunteers. The remaining facilities would be extended and upgraded to include a family centre and upgraded café facilities. Age Exchange have commissioned a feasibility study and drawn up plans for how the building could be developed, and have also undertaken extensive consultation with Blackheath residents and Library supporters from whom there is now firm support for the proposal.
- 8.4 Age Exchange has already secured a capital funding of £500k towards the cost of the project and are looking for a contribution from the Council to support the centre's development . This would be in the form of a one off sum of £200K, representing a contribution to transitional costs, including the provision of a temporary library facility at the Reminiscence Centre pending completion of the capital work, and match funding of the considerable sum already raised by the Trustees towards the cost of the remodelling of the Centre.
- 8.5 Age Exchange will be providing the community library facilities from their own premises and are therefore not benefiting from an asset transfer from the Council. It is therefore justified to offer a higher one off transitional investment in recognition of the considerable value that Age Exchange are bringing to the partnership in terms of their own asset and the capital investment they have secured.

9 Financial Implications

- 9.1 On 17 February 2011 the Mayor recommended the savings in the libraries budget to Council, which agreed them on 1 March 2011 as part of the annual budget setting process. As a result a reorganisation of the staffing structure is in progress and ongoing base budget savings of £755k are planned to be delivered.
- 9.2 Being prudent, the Council only built in £355k of these savings into the budget for 2011/12, with the balance planned to be achieved by 2012/13. In 2011/12, therefore, there is currently headroom of £400k within the libraries budget. However, there are various calls against this headroom in order to facilitate these proposals, as set out in the table below.

| Description | £'000 | £'000 |
|--|-------|-------|
| Initial headroom | | 400 |
| Staffing / other running costs 1 April – 28 May 2011 | (126) | |
| RFID installation 4 libraries @ £60k each | (240) | |
| Remaining headroom | | 34 |
| Proposed one-off support to Age Exchange | (200) | |
| Shortfall in libraries budget | | (166) |

- 9.3 Agreeing the recommendations in this report will therefore leave a shortfall of £166k in the libraries budget for 2011/12, which will need to be met from corporate working balances. It will also leave no provision for the installation of RFID technology at the New Cross library, on the grounds that no solution for community library use for that building has yet been found. In the event that such use is found a further contribution of £60k from corporate working balances will need to be made, and this element of the working balances is therefore reserved for this purpose in 2011/12 until the position as regards New Cross is clearer.
- 9.4 In addition, savings from the property costs of the buildings, estimated to be £225k in a full year can be delivered provided that all five buildings are not in the Council's management. These savings were separately identified and agreed in the council's budget setting report, as part of an overall proposal to reduce annual property costs by £1m by 2013/14.
- 9.5 The proposals in this report will therefore deliver the council's planned savings of £755k in respect of the core libraries service, in line with the profile agreed in the council's annual budget. They will also contribute approximately to the planned savings in respect of property costs ahead of the profile agreed in the council's annual budget. However, a contribution from corporate working balances of £166k will be required to finance the match funding and other support required by Age Exchange. This recognises the fact that they are contributing use of their own premises to the proposals, unlike other bidders. A further contribution of £60k from corporate working balances may be required if a community library use for the New Cross library site can be found.

Key Risks

- 9.6 There are a number of risks associated with these proposals. The key risk is the financial failure of Eco Computer Systems as a result of it becoming over stretched caused by the expansion of the company and the demands of running a number of new sites. The company recognise these risks and have taken steps to increase their financial and HR capacity to manage the planned increase in business. Officers view is that the scale of this risk can be partially mitigated by only offering Eco Computer Systems leases on 3 of the 4 buildings.
- 9.7 A further risk is a serious deterioration in the condition of one or more of the three buildings leading to closure to the public. This could also

thwart plans from Eco Computer Systems to build their business from these new service points. Should either the financial or building-related risks arise this could lead to a reputational risk to the Council.

- 9.8 Officers acknowledge that these risks are real and that possible mitigation measures are probably limited. The success of these community library initiatives requires the building of a strong partnership with Eco Computer Systems. Officers will ensure that regular monitoring meetings take place to build this partnership and ensure that the risks identified are managed.

10 Legal Implications

- 10.1 The Public Libraries and Museums Act 1964 makes provision for regulating and improving library services. Section 7(1) sets out the duty of every library authority to provide a “comprehensive and efficient library service for all persons desiring to make use thereof”. Section 7(2) provides that, in fulfilling its duties, a library authority should have regard to the desirability “of securing ...by any other appropriate means” that facilities are available for the borrowing of, or reference to, books and other printed matter, pictures, records, films and other materials in sufficient number, range and quality to meet the general requirements and any special requirements of adults and children. Section 9(1) provides that “a library authority may make contributions towards the expenses ofany person providing library facilities for members of the public”.
- 10.2 This report recommends that 25 year full repairing and insuring leases of Crofton Park, Grove Park and Sydenham libraries are granted to Eco Computer Systems. The final terms of the leases will need to be agreed with Eco Computer Systems. However, each lease will contain obligations for Eco Computer Systems to deliver agreed community library services in the form of specified outputs which will be monitored by the Council, failing which the Council will have the ability to terminate the lease and take the property back.
- 10.3 This report notes that at the current time, there is no organisation recommended for New Cross library. However, the Council’s position is that it will be delivering a comprehensive and efficient library service, whether or not the community delivered model for the five buildings proposed for closure is able to be implemented at some or all of those buildings.
- 10.4 This report asks the Mayor to agree the proposal from Age Exchange for Blackheath set out in Section 8, including a one off grant of £200k. As set out above, Section 9(1) provides that “a library authority may make contributions towards the expenses ofany person providing library facilities for members of the public”. The Council can therefore rely on this power to provide the financial support to Age Exchange.

- 10.5 Under Section 123 of the Local Government Act 1972, the Council may not dispose of non-housing land otherwise than for the best consideration reasonably obtainable, except with the consent of the Secretary of State. The Head of Asset Strategy & Development has confirmed that the terms of the leases to Eco Computer Systems will represent the best consideration that can reasonably be achieved. On this basis, a specific disposal consent will not be required.
- 10.6 Crofton Park is subject to a covenant that requires the Council to ensure that the building is used for a public library, although other uses are permitted alongside that use. The lease of this building will require Eco Computer Systems to comply with this covenant
- 10.7 The Equality Act 2010 (the Act) brings together all previous equality legislation in England, Scotland and Wales. The Act includes a new public sector equality duty (the equality duty or the duty), replacing the separate duties relating to race, disability and gender equality. The duty came into force on 6 April 2011. The new duty covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 10.8 In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - advance equality of opportunity between people who share a protected characteristic and those who do not.
 - foster good relations between people who share a protected characteristic and those who do not.
- 10.9 As was the case for the original separate duties, the new duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.
- 10.10 The Equality and Human Rights Commission issued guides in January 2011 providing an overview of the new equality duty, including the general equality duty, the specific duties and who they apply to. The guides cover what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guides were based on the then draft specific duties so are no longer fully up-to-date, although regard may still be had to them until the revised guides are produced. The guides do not have legal standing unlike the statutory Code of Practice on the public sector equality duty, However, that Code is not due to be published until later in 2011.

The guides can be found at:

<http://www.equalityhumanrights.com/advice-and-guidance/public-sector-duties/new-public-sector-equality-duty-guidance/>

- 10.11 The Equality Implications section of this report sets out the position in relation to the Equalities Impact Assessment which has been undertaken on the proposed closure of the five library buildings.

11 Comments of the Head of Asset Strategy & Development

The Head of Asset Strategy and Development considers that having taking into account the condition of the three libraries to be offered to Eco Computer Systems that a nil rental throughout a maximum term of 25 years for each represents best consideration that could reasonably be achieved, on the basis that the use of each of the buildings is limited to library use with ancillary community uses, and an agreed schedule of works are carried out to each building throughout the duration of the term. Separate leases to be granted for each of the three buildings with the main terms of each lease to include:

- (i) the lease to be for a maximum 25 year term on a full repairing and insuring basis
- (ii) an agreed schedule of works is carried out to the building throughout the term;
- (iii) there is a mutual break clause at the end of every 5th year;
- (iv) the Council will have the right determine the lease if the agreed works have not been carried out without good reason, or it becomes evident that the tenant is in financial difficulties;
- (v) assignment and subletting are prohibited but licences/franchises will be allowed with the consent of the landlord;
- (vi) the uses of the building to be limited to library use with ancillary community uses;
- (vii) if the building is not being used for the purposes permitted by the lease or the tenant fails to deliver agreed community library services in the form of specified outputs, then the Council will have the right to determine the lease;
- (viii) the tenant to ensure that all services are installed and maintained to a sufficient standard to comply with statutory requirements and regulations and that the appropriate certificates are available for inspection by Council officers upon demand;
- (ix) the tenant to be responsible for all outgoing in respect of the building including the payment of any business rates if applicable;
- (x) all other terms to be agreed with the successful bidder;

12. Crime and Disorder Implications

There are no crime and disorder implications arising directly from this report.

13. Equality implications

- 13.1 The process through which the Council has pursued the potential for asset transfer has been conducted in line with Lewisham's Asset Transfer Framework and has not presented barriers to participation from any group in society. The advert which invited expressions of interest was publicised on the council's website, in Grapevine and through a range of local and regional networks. The criteria on which bids would be evaluated was made clear within the application pack in addition organisations were asked to provide an equal opportunities policy as part of their application. The Community Interest Event which took place on 12 April 2011, was widely advertised and provided interested stakeholders with the opportunity to talk to the four bidding organisations.
- 13.2 An Equalities Impact Assessment was undertaken on the proposed closure of five library buildings and reported to the Mayor in full on 17 February 2011. For each of the libraries potentially affected, the EIA considered the demographics of the local community, the current make-up of library usage and the extent to which closure would differentially affect people in the community on the basis of their age, gender, ethnicity, sexual orientation, religion/belief or disability. In addition, the EIA considered the proposed closure in relation to Human Rights and to the socio-economic context of the local area (including issues of deprivation, employment and skills and access to transport.) The EIA concluded that the proposed closures would have an adverse impact across equality groups but that they would not lead to unlawful discrimination.
- 13.3 In the event of a decision being taken to close the libraries, the EIA identified a number of actions that could reduce the adverse impact on local communities. These included information for current library users on alternative provision and the best ways of accessing it, an increased number of outreach library facilities which could include small collections and book drops and an increased number of outreach visits which could bring story-telling and other activities to schools and community centres.
- 13.4 An Equalities Impact Assessment has been conducted in regard to the asset transfer proposals and the establishment of community library provision. It has assessed the proposals in line with the Equality Act 2010 and considered the potential impact on all of the nine protected characteristics identified in paragraph 10.7.
- 13.5 As identified in 6.17, Eco Computer Systems have agreed to provide community library facilities at Crofton Park, Sydenham and Grove Park with an increase in the hours that each building is currently open. There is nothing in the proposals from Eco Computer Systems that indicate that any equality group would be disadvantaged in terms of access or provision of services. In that the provision ensures a

community library provision is established in these three areas of the borough, it mitigates the adverse impacts associated with the restructure of the Library and Information Service and closure of the building as identified in the previous EIA. By retaining a community library within these buildings and increasing the opening hours, the potential for certain groups to find it more difficult to access library services, as identified in the original EIA, would be removed.

- 13.6 Likewise, the proposal for a community library facility to be delivered from Age Exchange's building in Blackheath, close to the original site, presents no adverse impact to any equality group and addresses the potential negative impacts identified in the original EIA.
- 13.7 In regard to the library function at New Cross, the potential negative equalities implications related to its closure remain. This report instructs officers to seek alternative community library facilities for the New Cross area and as and when officers have developed further proposals, this assessment will be revised.
- 13.8 In the case of proposals from both the Reminiscence Centre and Eco Computer Systems, there is the likelihood that the community assets will offer additional services, such as community cafés. These services have the potential to involve different members of the community and may draw more people into using each centre's provision.

14. Environmental implications

There are no environmental implications arising from this report.

15. Conclusion

- 15.1 In response to the original informal request for expressions of interest in the four libraries, conducted between November 2010 and January 2011 the Council received 13 submissions. This formal process has now elicited four responses and only one of sufficient capacity for officers to recommend agreement.
- 15.2 For the reasons set out, it is recommended that Eco Computer Systems should be granted a maximum 25 year lease for Grove Park, Crofton Park and Sydenham libraries. There remain concerns about the significant growth that this implies for the company and the resultant danger to their business. Officers will therefore work closely with the company as they take responsibility for these buildings and develop the new community library facilities.
- 15.3 The proposal from Age Exchange secures a community library in Blackheath and ensures that the organisation can continue to develop. Although it has not been possible to identify an organisation to manage New Cross library officers will work with local organisations and

Lewisham Homes to identify suitable long term sustainable community use for the locality.

Background Documents

Mayor's Commission on Libraries and Learning – accessible online at www.lewisham.gov.uk

If there are any queries on this report please contact Hilary Renwick, Head of Cultural Services on 020 8314 6359.



LEWISHAM LIBRARY BUILDINGS

INFORMATION & APPLICATION GUIDANCE

March 2011

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Separate PDF Appendices

- i. Condition Surveys
- ii. Capital Costs

1 INTRODUCTION

Government spending reductions mean that Lewisham will have to cut its budget by £88million over the next four years. The scale of the challenge means that every service in the council has been charged with making substantial savings and fundamentally rethinking how their services can be delivered in this new financial climate.

Lewisham has invested heavily in its cultural infrastructure over the last few years opening fully refurbished libraries at Manor House, Forest Hill and Downham with Torridon and Deptford due to open in 2011. The Library Service response to the Council's financial challenge has been to revisit its planned modernisation programme to enhance the role of community libraries within the service. The Council is now planning to reduce the number of fully staffed libraries from twelve to seven and expand the number of community libraries that provide access to library services in partnership with host organisations.

Lewisham Council recognises the broader role that library buildings can play within communities, as a meeting place, a source of community information and a focus for community activity. To mitigate against the loss of these community benefits as the service changes the Council is looking for enterprising organisations that are interested in taking on the management of one or more of the library buildings proposed for closure.

2 KEY DATES

Key dates are set out in the table below. Organisations bidding to take on a lease for one or more of the buildings will need to send a representative to a Community Interest Event on Tuesday 12th April, from 4pm to 8pm in the Civic Suite, Catford. This will be an opportunity for interested members of the local community to view and make comments on proposals. The comments will be taken into consideration in assessing the community benefits and community involvement aspects of bids.

Summary of Key Dates

The proposed timetable below is subject to change and is provided by way of guidance only. Lewisham Council reserves the right to amend this timetable at its absolute discretion at any time during the tendering process.

| EVENT | DATE |
|--|------------------|
| Notice issued | 7 March 2011 |
| Application Pack available | 11 March 2011 |
| Appointment Day | 22 March 2011 |
| Deadline for pre application clarification questions | 23 March 2011 |
| Deadline for Applications | 4 April 2011 |
| Community Interest Event | 12 April 2011 |
| Post application clarification | 18-25 April 2011 |
| Decision by Mayor & Cabinet | 11 May 2011 |
| Agreement of lease/transition arrangements with preferred Applicant(s) | 12-28 May 2011 |
| Deadline for closure of Library Service in specified building | 28 May 2011 |
| Start of lease/transition arrangements with successful Applicant(s) | 29 May 2011 |

3 PROPERTY - GENERAL INFORMATION

Five buildings are affected by the decision to reduce the scope of the library service: Blackheath, Crofton Park, Grove Park, New Cross and Sydenham.

With the exception of Blackheath Library, the Council is the freeholder. The Council has leased the building in Blackheath Grove for a 15 year term from 2008, with initial rent of £72k pa, and rent reviews in 2013 and 2018. The lease is on a full repairing and insuring basis which will incur additional expenditure during the term and dilapidations at the end of the lease. The Council proposes to assign this lease to a third party via instruction of a commercial letting agent. The Council has been approached with an offer of an alternative venue in Blackheath for supporting a community library service presence and is undertaking negotiations on this.

For Crofton Park, Grove Park and Sydenham the Council is prepared to transfer these buildings on a full repairing and insuring lease. In the case of New Cross the Council is prepared to transfer the building on an internal repairing lease with a service charge to cover the cost of external repair and insurance. The Council is seeking proposals on how these buildings can be used that will continue to offer scope for community library service facilities and other benefits to the local community.

Crofton Park, Grove Park and Sydenham are stand alone buildings while New Cross is an adapted retail unit within a mixed use block with retail and residential above. Crofton Park and Sydenham are substantial brick buildings built over 100 years ago. Grove Park is a modular building dating from around the 1950's and is a temporary structure on metropolitan open land with limitations in terms of future use and development.

The information available for these libraries includes:

- a recently undertaken Condition Survey (Provided for information purposes only, organisations entering into a lease will need to obtain their own independent advice on condition).
- a spreadsheet setting out indicative running costs

Both are included as appendices to this pack as separate PDF files. The Council expects to pass full responsibility for the costs of the building, including the costs of building insurance, repairs and maintenance as well as any national non domestic rates liability to the new occupier. The level of rent charged as part of a lease will reflect the condition of the building. The Council is prepared to consider requests for minor contributions to condition works required to the buildings. Any requests will form part of the evaluation of the capital funding plan as described in Section 8.

Planning considerations

These buildings are designated, for planning purposes, as use class D1 Non Residential Institutions. Where Applicants anticipate a change of use they will be responsible for discussing any relevant issues likely to arise with the Council's Planning Service.

The Council has an ongoing programme of designating locally listed buildings. These are buildings of special local, rather than national, architectural or historic interest. The associated planning policy is to seek to encourage their preservation rather than redevelopment. Crofton Park and Sydenham Library buildings have been proposed for local listing.

Viewing the libraries public areas

If you would like to view the public areas of the libraries below then please note the opening times contained on the Council website:

www.lewisham.gov.uk/libraries

4 COMMUNITY LIBRARIES OFFER

An essential element of any bid to take on a lease of one of the four buildings is the requirement to work with the Council to facilitate the delivery of library services. In particular any party interested in taking a lease/leases from the Council would be required to grant appropriate rights to the Council in relation to part of the premises for the provision of library services. It is anticipated that an agreement will be developed between the Council and the lessee in respect of the library services to clarify roles and responsibilities. Further details of anticipated roles and responsibilities which would form part of this agreement are contained at annex 1.

The Council's vision for Community library facilities includes a local library resource that is supported and facilitated by a third party but linked to the Council's library service. The exact nature of these library services will vary depending on the locality in which the offer is based and the nature of the host organisation but all library service provisions will reflect the basic principles of free public access to reading and information for all.

A community library presence will include a stock of quality, relevant books provided by the library service. Stock will be selected based on usage and need and will be catalogued by the library service and delivered to the building ready to go on the shelves. In addition to the stock held within the building, local residents will have access to over 5 million items through the London Libraries Consortium which can be reserved in any library and online.

The Council will work with each host organisation to develop a programme of reader development activities that complement other activities taking place in the building, reflect the skills and interests of the host organisation, reflect the needs and interests of local residents, and provide access to national and regional programmes. Examples of these include:

- Projects to encourage children to read such as Chatterbooks, Bookstart, Bookcrawl and the Summer Reading Challenge
- Reading groups for all ages and communities of interest
- School class visits
- Black History Month and LGBT History Month
- Homework clubs
- Author visits and readings

One off transitional funding will be available to support the installation of self issue technology in each of the buildings and any reconfiguration of the space necessary for its installation. Self issue entails the attachment of Radio Frequency Identification tags to each item of stock which is then 'recognised by the self service terminal. This means that users can check out and return their books without the need for a staff presence and have access to the entire library catalogue from which they can select and reserve items. The equipment comprises one or two terminals - each about the size of a commercial cash dispenser- and a set of gates. Self service can currently be

seen in operation at Forest Hill, Downham, Catford and Manor House Libraries.

The cost of installation including cabling and additional phone lines will be approximately £59,000 for each building. The host organisation may choose instead to accept a one off payment to the value of the self issue installation and use it to support other aspects of developing their operation. However in this instance the organisation will need to demonstrate to the Council how it will secure the book stock and provide the necessary check out and return services for library users, linking these functions to the Library Management System.

The Council will explore with host organisations the best way to ensure access to ICT and wifi within the building that reflects the needs of local residents and complements other activities taking place in the building.

The Council and the anchor organisation will each be responsible for their own costs related to the delivery of Community library facilities. The information contained in this section and at annex 1 reflects the current plans for library services within the London Borough of Lewisham. Library services may be subject to change over the term of any lease and this will be taken into account in the agreement between the Council and the anchor organisation.

5 SUBMITTING AN APPLICATION

The Application must be completed and delivered to **The Executive Director for Community Services; London Borough of Lewisham; Town Hall reception; Catford; London SE6 4RU** for receipt by no later than noon on 4th April 2011 or such later date as notified by the Council. Any Application or any accompanying documentation submitted after such time and date may not be considered for acceptance by the Council.

The Application should be submitted to the above address by registered post, recorded delivery or by hand.

The Application and all other accompanying documentation should be submitted in the form of one unbound copy and an electronic version on CD (compatible with Office 2003 applications) certified virus free.

Your Application must remain valid and open for acceptance by the Council three (3) Calendar months after the date specified for the return or such longer period as may be agreed with the Council.

Applicants are responsible for obtaining all information necessary and shall bear all costs, expenses and liabilities incurred with the preparation and delivery.

Any questions or clarification about the process can be raised through Jonathan Stevens at Lewisham Council by email on jonathan.stevens@lewisham.gov.uk or telephone 020 8314 7043. The date by which such questions should have been received is 23 March 2011.

6 IMPORTANT NOTICE

This document has been prepared by Lewisham Council for the purpose of seeking proposals to take over the management of one or more of four specified buildings and in doing so make provision for Community library facilities in those locations.

No warranties or opinions as to the accuracy or completeness of any information provided in, or which accompanies, this document or otherwise or as to the powers and/or status of Lewisham Council shall be given at any stage by Lewisham Council and any liability for any inaccuracy or incompleteness is therefore expressly disclaimed by Lewisham Council.

Any person considering making a decision to enter into an agreement with Lewisham Council or any other person on the basis of the information provided by or on behalf of Lewisham Council must make their own investigations and form their own opinion in relation to the status, completeness and accuracy of all such information and in relation to the status and/or powers of Lewisham Council.

Your attention is drawn to the fact that by seeking proposals to take on management of the specified buildings, Lewisham Council is in no way committed to entering into any agreement and reserves the right to cancel the process at any point. Lewisham Council shall not be liable for any costs resulting from any cancellation of this process nor for any other costs incurred by those expressing an interest in or submitting an application.

7 LEGAL ISSUES

The lease

The terms required by Lewisham Council will be determined on a case by case basis following the selection of the preferred Applicant(s).

Community Library Service Agreement

The terms required by Lewisham Council will be determined on a case by case basis following the selection of the preferred Applicant(s).

Insurance

Lewisham Council will insist upon the successful Applicant(s) ensuring sufficient insurance is or will be in place. Applicants must state that they are insured to the required levels, or confirm that if they do not already hold the necessary level of insurance that they will procure it. Minimum insurance levels for all four buildings include Public and Third Party Liability Insurance for not less than £5 million pounds with a minimum of £2 million pounds in respect of any one claim. Applicants will also be required to confirm that they are able to arrange adequate buildings insurance for the building or buildings in joint names with Lewisham Council in respect of the usual perils, with the exception of New Cross Library.

Equal opportunities

Lewisham Council is an equal opportunities employer and has various statutory duties to ensure that it carries out its business in a way that promotes equality and eliminates discrimination; in particular Lewisham Council must adhere to equality legislation.

Lewisham Council also expects that the successful Applicant will promote equality, comply fully with all UK equality legislation, or European equivalent, have an adequate equalities policy and be an equal opportunities employer. Applicants will need to demonstrate that they have relevant Equal Opportunities policies in place.

Freedom of information

In addition to Lewisham Council's commitment to public disclosure, transparency and accountable government, Applicants should note that Lewisham Council is subject to the Freedom of Information Act 2000 ("FOIA") and the Environmental Information Regulations 2004 ("EIR"). This means that, subject to certain exemptions, an individual may request access to any information held by Lewisham Council and Lewisham Council may disclose the information sought. This may include information on a Application or details relating to the procurement process.

If you consider that any specific information supplied by you is either commercially sensitive or confidential in nature, please clearly state this in your Application and mark it as such. You must also give us the reasons for the sensitivity or confidentiality. Block marking of whole Applications is not acceptable. Please note, however, that Lewisham Council may still be required to disclose such information in accordance with FOIA or EIR.

Lewisham Council will use reasonable endeavours to consult with you prior to making its decision on whether to disclose under FOIA or EIR information you have identified as commercially sensitive or confidential.

If you are unsure as to Lewisham Council's obligations under FOIA and EIR regarding the disclosure of commercially sensitive or confidential information please seek independent legal advice.

Conflict of interest

Lewisham Council expects Applicant(s) to have due consideration for the Council's interests and to declare any actual or potential interest which might conflict with our interests. If, in our opinion, there is a conflict of interest that cannot be mitigated, this may result in an Application being rejected.

8 INFORMATION REQUIRED

General

Your Application must contain a response to all of the questions set out in this section, clearly referenced to the numbering as set out in this section.

Your Application response should also include

- Constitution/Trust Deed/Memorandum and Articles of Association (as applicable)
- Most recent audited accounts demonstrating that the organisation is a going concern
- Details of an adequate equal opportunities policy
- Evidence of Insurance held or undertaking to obtain necessary insurance

You should note that your Application will be evaluated according to the criteria set out in section 9.

If Applicants wish to seek clarification in relation to any provision, they should do so by asking a clarification question and submitting that question in accordance with Section 5 above. Applicants should note that responses to clarification questions may be provided to all Applicants.

Information to be provided

Applicants must provide the following information in their Application and should respond with clear and concise responses. Your Application should follow the same sequence below.

Proposed use of the building or buildings

Provide details of the proposed use of the building or buildings including:

- a) Which building or buildings the proposal relates to.
- b) The use of the building or buildings, and the services that would be delivered.
- c) The length of the lease that you are seeking (note that the Council anticipates the maximum length of lease to be 25 years but will consider requests for a longer term on an exceptional basis).
- d) If relevant, the estimated number of residents benefiting from each of the services identified and what the community benefit will be.
- e) An identification of the key risks and factors that will affect delivery and/or cost.

- f) Details of how a community library service will be offered within the building or buildings including:
- confirmation of the level of service maintained including opening hours.
 - confirmation of the space available for library services.
 - A response to information provided in section 4 and annex 1
- g) Identification of any additional benefits or links between the services and the continued use of the building or buildings for Community library facilities.

Note: it is envisaged that Lewisham Council Library and Information Service will provide specialist equipment and expertise while the anchor organisation will be responsible for maintaining the building, providing public access to the building and the management systems for running a safe and successful community library service facility. Further details of this are set out in section 4 above and annex 1.

Capacity

Provide details of the lead organisation that would be responsible for entering into the lease and overall management of the building or buildings and details of partnerships and other arrangements that would be in place to deliver the services and activities.

- a) The name of organisation.
- b) Copy of constitution/Trust Deed/Memorandum and Articles of Association (as applicable)
- c) A brief description of the organisation and its current activities.
- d) The names of partner organisations, what their role would be and whether this arrangement is confirmed or proposed.
- e) The solicitors you intend to instruct if your Application is successful.

Provide details of the individuals or organisations that will deliver the proposed services and manage and maintain the building.

- a) Details (including names and/or job titles where possible) of the individuals or organisations involved in delivering your proposal.
- b) Confirmation of the relevant accreditation, licences, skills and any other requirements in order to deliver these services.
- c) Details of previous property management experience.

Capital Funding Plan

Provide details of the capital costs anticipated in relation to the buildings:

- The amount of capital costs expected in the first 5 years.
- Details of funding secured.
- Details of the sources of funding secured or proposed sources of funding.

Forecast 5 year revenue and expenditure

Provide details of the revenue expenditure anticipated in relation to the buildings:

- Expected income and expenditure in year 1 including staffing, stock, management, fees, rates and all other operating costs.

| YEAR 1 (to 31 March 2012) | | | |
|----------------------------------|---------------|----------------------------------|---------------|
| Expenditure | | Income | |
| <i>Identify expenditure type</i> | <i>Amount</i> | <i>Identify source of income</i> | <i>Amount</i> |
| | | | |
| | | | |
| Total Year 1 | | Total Year 1 | |

- Forecast income and expenditure for the first five years (including year 1).

| Annual costs for each of years 12/13 to 15/16 | | | |
|---|---------------|----------------------------------|---------------|
| Expenditure | | Income | |
| <i>Identify expenditure type</i> | <i>Amount</i> | <i>Identify source of income</i> | <i>Amount</i> |
| | | | |
| | | | |
| Total | | Total | |

- Forecast income and expenditure in a typical year after 5 years operation.

| Typical year 2016/17 onwards | | | |
|----------------------------------|---------------|----------------------------------|---------------|
| Expenditure | | Income | |
| <i>Identify expenditure type</i> | <i>Amount</i> | <i>Identify source of income</i> | <i>Amount</i> |
| | | | |
| | | | |
| Total | | Total | |

Description of plans to involve the local community

Provide details of contact within the local community to date and plans to involve local people and organisations in the design and delivery of services. This may include plans for recruiting and supporting volunteers, service user groups and links with local voluntary and community groups, clubs and associations.

Additional information

Applicants can, if they wish provide any relevant additional information to their submission not covered by the preceding headings.

9 APPLICATION EVALUATION

Applications which are not substantially complete or which do not comply with the requests set out in this Guidance will give sufficient grounds to be rejected. There is no right of appeal where Applications are rejected.

Evaluation criteria and weighting

Applications will first be evaluated against the following requirements which will be scored on a pass/fail basis. Any Application that scores “fail” against any of these requirements may be deemed non-compliant and rejected without further evaluation.

| | |
|--|-----------|
| Confirmation of receipt of audited accounts demonstrating that the organisation is a going concern | Pass/Fail |
| Confirmation of an adequate equal opportunities policy | Pass/Fail |
| Confirmation relating to required insurances | Pass/Fail |

Remaining Applications will then be evaluated in accordance with the evaluation criteria and the information requested in section 8.

Each question will be scored between 0-10.

A score of 0 to 2 = not acceptable or major areas of weakness

A score of 3 to 4 = less than acceptable more weaknesses than strengths

A score of 5 to 6 = acceptable but with some minor areas of weakness

A score of 7 to 8 = highly acceptable strong with few weaker areas

A score of 9 to 10 = extremely competent, many strengths no weaknesses

| Criteria reference | Question title | Weighting criteria |
|--------------------|--|--------------------|
| 1 | Proposed use of the building and associated community benefits including community library service | 30% |
| 2 | Capacity | 20% |
| 3 | Capital funding plan | 10% |
| 4 | 5 year revenue and expenditure | 30% |
| 5 | Plans to involve the community | 10% |

APPENDIX 2: SUMMARY OF BIDS RECEIVED

***WE THINK Literary Learning Centre* submitted by The Lewisham Community Sports Community Interest Company**

Summary of bid

1. The *WE THINK* bid expressed an interest in all four libraries and sought to combine 16 hours a week free library access with other activities
2. The offer guaranteed that each of the libraries would open for a minimum of 16 hours a week offering library services such as taking books out and bringing them back, with a paid staff member on hand to answer queries.
3. At other times users would pay to access activity within the building or one-off room hire. In the long-term this would generate the income to maintain the buildings and support the continued provision of the library service offer. The bid ruled out sub-leasing of rooms for long-term private use to retain the integrated nature of each building space. The type of paid for events and activities could include arts-based events and clubs, hire for parties, public meetings, film clubs, children's disco and so on.
4. The bid identified the "*WE TH!NK*" brand as describing how the library buildings would be used, also described as Literacy Learning Centres. The branding of "*WE TH!NK*" was intended to convey a new message to the patron and the passer-by on the street. The bid suggested that "We" would embody, empower and mobilize each person in the community and give the sense that this was something that belonged to all. The bid also suggested that "Think" would be a bold statement that this is a place where you can "Think," "Explore your ideas," "Learn," "Play" and "Immerse yourself in knowledge." The bid identified the idea behind *WE TH!NK* as giving aspiration to those who have less and an opportunity for those who have more to help those with less.
5. As an example of their approach the bid suggested that rather than being filled with books that can't be viewed as they are all stocked with the spine facing towards you, a *WE TH!NK* Centre would have the front cover of each book clearly visible, facing towards the potential reader. The bid recognised however that the book selection would be substantially condensed but would aim to reflect past choices of the reading audience in each specific library.
6. The target market identified for *WE TH!NK* Centres are young children and their families, estimated as half Lewisham's population.
7. The bid proposed using the planned £236K one-off transitional funding to support the first year of operations under a Service Level Agreement with the intention of aiming to transfer ownership by March 2012.
8. Lewisham Community Sports provides 76 individual term time after school clubs within the Borough of Lewisham providing Curriculum P.E to Stillness Junior, Gordonbrock and Brockley Primary Schools. Lewisham Community Sports also have good links to other local Primaries such as St William of York, Dalmain, Lewisham Bridge, Turnham and Myatt Gardens. In 2010 three Holiday Schemes were run through-out the borough at locations (Hilly Fields and Prendergast school, Catford Cyphers Cricket Club and also Forster Park.) Within the last 12 months LCS has delivered child care and coaching to 1,871 individual

children/members who either live or go to school in Lewisham. This figure does not include the children who receive P.E and this would be an additional 1,000 children.

9. The bid proposed establishing four new Community Interest Companies to operate each of the buildings under a franchise-style approach. This proposal was intended to create a model that would allow a flexible approach tailored to the needs of specific buildings and local communities.

Eco Libraries Proposal submitted by Eco Computer Systems

Summary of bid

10. This bid expressed an interest in all four libraries and sought to combine a community library service with IT recycling and training.
11. The bid proposed using the four library buildings as mixed-use community hubs each including a professionally managed library service fully integrated with the borough's library service. This activity would be supported through income generated by sales of recycled IT equipment as well as income generated from training, a community café and other activities.
12. Each library would be staffed by a mixture of paid staff and volunteers. Library opening hours would be increased under the proposal to 52 hours a week. The one-off transitional funding would be invested in self-issue technology as proposed in the application guidance. Each library would have its own steering committee comprised of local organisations and other active citizens on a voluntary basis.
13. Eco Computer Systems is a social enterprise that aims to use business solutions to achieve public good. It specialises in rebuilding, repairing and recycling computers and other IT equipment some of which is then sold commercially to support the donation of the remainder to community and charity projects. Eco Computer Systems propose work with a number of partners, including UK Online, Open Doors, Rushey Green Time Bank, EAGA, Volunteer Centre Lewisham, Voluntary Action Lewisham and local schools. The bid proposed establishing a new charity: Eco Libraries to deliver the concept.

New Cross Library Bid Development Plan submitted by Family Services UK

Summary of bid

14. This bid was specifically in relation to the New Cross site. The bid proposed using the building to run a support centre for dealing with mental health issues within the community and transform the library into a community activity centre.
15. The bid proposes support or 'Reader development of children, adults and families' as: 'Chatterbooks', 'Bookstart', 'Bookcrawl', 'Summer Reading Challenge', 'Six Books Challenge', 'Black History Month' and 'World Book Day'. Family Services UK staff would work in conjunction with the library staff to promote reading groups for all ages, and will engage with the library service to develop reading specifically to complement other activities and services offered from the premises, supporting the mental health wellbeing and family reading of all users.

16. In addition the bid proposes to facilitate class visits, homework clubs, reading groups and author visits and to exemplify the role of Family Learning; provide a homework club with more facilities and internet access; organise short talks/lectures by relevant health professionals to give guidance on aspects of treatment, illness and wellness; and to address mental health stigma and educate local communities.
17. Community facilities envisaged as part of the bid include:
- Free meeting rooms for community activities
 - Mayor's surgeries
 - Training rooms for hire
 - Easy access to services
 - Equal opportunity
 - Volunteering
 - Drop-in space for homeless young people
 - Drop-in space for young teenage parents
 - Free legal, housing and benefit advice
 - Work in partnerships with other agencies, enable new ways of collaboration
 - Live soft music for children, adults and family – facilitating social cohesion and human development
 - Providing a good source of information and resource facility
18. The building would also be used to offer walk-in community support services on mental health; information and advice services and training.
19. Income supporting delivery of these services would be from a range of local public sector funding, donations and other fund raising.
20. Family Services UK is a charity, offering a walk-in service for counselling, advice, mentoring, signposting, 1-2-1, family, and green therapies. It aims to help and train the long term unemployed, and enhances and promotes positive mental health. FSUK improves service capacity addressing community's immediate needs. Family Services UK has been a social enterprise delivering mental health services since 2006. We have experience in the business of primarily providing social objectives to those clients suffering from mental disabilities, long term unemployed, relationship issues, ethnic minority issues, services for the homeless, isolated travellers, domestic violence, child poverty (families on minimum wage/benefit) and for those with addictions and other mental health issues. Family Services UK reinvests any surpluses for the purpose of the community, rather than on individuals or driven by the need to maximise profit.
21. Family Services UK management are all counsellors and a group of professionals, with management experience, administration experience, and customer care experience and teaching/training qualifications and are from a diverse multicultural background with many skills.

Proposal for the leasing of Sydenham Library submitted by the New Testament Church of God (Sydenham)

Summary of bid

22. This bid was specifically in relation to the Sydenham site and sought to offer programmes for the unemployed and youth activity alongside continued operation of library services. Proposals in the brief were to:

- Take over and run the library in Sydenham as a Community Library such that the Library will continue to serve the community's need for reading, studying and researching.
 - Provide a training program for the unemployed seeking to return to work.
 - Run a grant funded mentoring program for the youth in the community.
 - Involve local groups providing health, social and family services to the community. It aims to achieve this by forming community panels of interested users who will propose ideas on how to run the library.
23. The bid proposed that the lease be taken over by the main sponsoring partner organisation the New Testament Church of God Ltd for five years and run as charitable company registered with the Charity Commission. The bid proposed that the exact nature of this would be determined in consultation with the London borough of Lewisham. A board would be formed to oversee the strategic direction and performance of the project within the community. The members of this board will be drawn from the community. The project will be subject to the Charity Commission governance and reporting requirements.
24. The bid proposed running the library service in Sydenham without the current closures for lunch, potentially increasing the normal hours of operation. Two full time fully trained staff would work in the library with volunteers from the community.
25. The library resources would be complemented by community activities run in the building. In its bid the New Testament Church of God identified a number of community activities it currently offers alongside its main function as a Christian Church, including:
- Back to Basics programme highlighting and encouraging inter-generational relationships.
 - Youth Swap: Young people are hosted by adults within the local church for dinner and fellowship in their homes
 - Question and answer and a friendly chit-chat session with the local pastor/s
 - Let's Talk: Informal educational workshops and discussions
 - My Space: Open space where young people can come and relax, play games and have good conversation
 - Our Senior Citizens' Appreciation Dinner: Bridging the Gap between generations
 - Youthopia: Lead by the youth for the youth on Sunday Afternoons, sometimes incorporating a stop over meal.
26. The running of the library and community activities would be funded through the initial one-off transition funding, government grants, counselling income, training income and other sources.