

**SOMERSHAM LIBRARY – LEASE TO THE PARISH COUNCIL AT LESS THAN BEST CONSIDERATION**

*To:* **Cabinet**

*Date:* **15 August 2011**

*From:* **Local Government Shared Services Director of Finance**

*Electoral division(s):* **Somersham**

*Forward Plan ref:*

*Key decision:* **No**

*Purpose:* **To seek Cabinet approval to dispose of a leasehold interest in the former Somersham library at ‘less than best consideration’.**

*Recommendation:* **To authorise the Local Government Shared Services Director of Finance to grant a lease to Somersham Parish Council on terms to be agreed that include a peppercorn rent.**

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## **1. BACKGROUND**

- 1.1 The former Somersham Library building has been let since 2003 at a market rent to Somersham Parish Council for the provision and operation of a Library Access Point (LAP) by the Friends of Somersham Library. However, no money has ever changed hands between the County Council and the Parish Council because Cambridgeshire Library Service has always offset the payment of the rent by an annual grant to the Parish Council for an equivalent sum.
- 1.2 When the support provided by the Library Service to the 10 Library Access Points was reviewed as part of the Council's Integrated Plan in 2010, with a view to saving £30,000 revenue expenditure, the question was raised as to whether the Library Service could continue to afford to provide this grant. It was proposed to reduce the amount of the grant gradually over a period of 3 years to enable the Parish Council to plan for this expenditure. (N.B. Somersham is one of only two Library Access Points occupying County Council owned premises. All the other LAPs occupy premises provided by their Parish Council or through other local arrangements with schools or community organisations).
- 1.3 The lease is due for renewal and a decision on the rental payment is required in the context of the localism agenda and the pilot initiative being operated in Somersham, as well as the context of other Parish Councils being approached to provide financial support for their County Council library services, as part of the Library Service Review. Somersham Parish Council currently contributes by paying for all utilities.

## **2. MAIN ISSUES**

- 2.1 Somersham is one of the best performing Library Access Points, open 22.5 hours per week with a complement of 38 volunteers led by a Co-ordinator. In 2009-10 the LAP issued 15,513 items and had 728 active users. Up until last year the Library Service provided the LAP with a new collection of adult and children's fiction titles each year, which was supplemented by local donations, and continues to provide free access to the Library management system and public PCs for access to the internet and online resources. Somersham LAP has the largest bank balance of any of the LAPs, at around £20,000, due in part to not having to pay rent, as most other LAPs do. Most of this is earmarked and has been raised over time to completely replace the very old heating system which is inefficient and at the end of its life expectancy.
- 2.2 The Library Access Point is situated in a Victorian building of approximately 110 square metres (1168 sq ft) on a site of 0.045 hectares (0.113 acres). The current lease terms require the Parish Council to maintain the building to no worse condition that is evidenced by a schedule of condition prepared at the start of the lease. Use is limited to a public library and other non-commercial community purposes.
- 2.3 The current market value for renting the former Somersham Library building is £5,300 p.a. It was proposed to reduce the grant to cover this rent in three (almost even) annual increments so that in the financial year 2013/14 the County Council would not give any grant towards the agreed rent. It should

be noted that in each of the 13 communities where libraries are currently 'under review', the Parish Council has been asked to provide support, including financial support, to sustain their local library services.

- 2.4 Local authorities have a fiduciary duty to obtain the 'best consideration reasonably obtainable' for the disposal of any interest in property in accordance with S.123 of the Local Government Act 1972. In June 1999, Policy Committee agreed a policy whereby all disposals should take place for 'best consideration'. Members also expressed a willingness to consider exceptions to the policy, but only where Service Directors and appropriate Members endorsed non-financial benefits. Final approval of any financial discount required the authority of Policy Committee.
- 2.5 On 30 July 2003 the Government introduced a General Disposals Consent that relaxed regulation. This allowed local authorities to exercise limited discretion and dispose of interests in property for below 'best consideration'. Discretion can be exercised where disposal is likely to contribute to economic, social and environmental well being of the area. In September 2003 Members confirmed their current policy of obtaining the best consideration reasonably obtainable for the disposal of all property interests, subject to any exceptions on a case-by-case basis being referred to Cabinet.
- 2.6 The Somersham pilot has two strands. Firstly, ACRE are leading a piece of work to develop a new approach to Community Led Planning. This includes increasing the reach of plans to involve a broader demographic; also working with local community groups, including Library Access Point volunteers, to support the community to contribute to finding and delivering solutions to issues arising in the community led planning process.
- 2.7 The second strand is a Timebank pilot. We are testing out whether this initiative (in which community members give their time e.g. gardening, shopping, decorating in return for receiving support in an area they wish) can contribute effectively to the prevention agenda. The scheme is not yet launched. It is likely to involve not only individual time trades, but could also involve people offering their time to help local community groups, e.g. the Library Access Point.
- 2.8 Both strands of the pilot focus on building upon the strong community spirit which exists in Somersham. The aim is to develop community capacity further still. The Library Access Point is a key facility, highly valued by the local community. For the pilot initiative to have the best chance of success, we need key stakeholders to play a role in building both community capacity and cohesion.
- 2.9 Renewing the lease on a short term basis at a peppercorn rent is proposed to actively support the work of the community in this pilot initiative. The local Councillor is Steve Criswell, who initiated and strongly supports this way forward.

### **3. ALIGNMENT WITH PRIORITIES AND WAYS OF WORKING**

#### **3.1 Supporting and protecting vulnerable people when they need it most**

There are no significant implications for this priority.

#### **3.2 Helping people live healthy and independent lives in their communities**

There are no significant implications for this priority.

#### **3.3 Developing the local economy for the benefit of all**

There are no significant implications for this priority.

#### **3.4 Ways of working**

The report above sets out the implications for ways of working in section 2 above.

### **4. SIGNIFICANT IMPLICATIONS**

#### **4.1 Resource and performance implications**

There are no significant implications for any of the prompt questions within this category, with the lost saving being dealt with during refining the Integrated Plan for 2012/13.

#### **4.2 Statutory, risk and legal implications**

There are no significant implications for any of the prompt questions within this category.

#### **4.3 Equality and Diversity Implications**

There are no significant implications for any of the prompt questions within this category.

#### **4.4 Engagement and Consultation**

There are no significant implications for any of the prompt questions within this category.

<b>Source Documents</b>	<b>Location</b>
None	