

BOROUGH OF KETTERING

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Report Originator	Martin Hammond Executive Director	<i>Fwd Plan Ref No:</i> A18/009	
Wards Affected	Rothwell and Desborough	11 th July 2018	
Title	LIBRARY SERVICES IN KETTERING BOROUGH		

Portfolio Holder: Cllr Scott Edwards

1. PURPOSE OF REPORT

To relay a referral from the Research and Development Committee and advise the Executive Committee of action taken since that meeting to help secure future library provision in the Borough.

2. INFORMATION

- 2.1. The County Council, as part of its budget strategy for the current financial year, decided to close Rothwell and Desborough libraries during the course of 2018, as part of county wide reductions in the library service. It invited local groups to make bids for the continued provision of libraries where closure was threatened, and to do so by the 25th June. It offered to sell or lease the affected library buildings to interested parties as a way of helping them provide a library service in the original building.
- 2.2 In both towns, local groups were formed to secure the libraries' future. The Research and Development Committee at its last meeting on 12th June heard from both groups about the work they were doing. The Committee was advised about the current barriers to the county council following through on their decision to close and/or dispose of the library buildings quickly, not least a judicial review of their decision, and the designation of both libraries as assets of community value by the Borough Council. Opinion was expressed by some in the meeting that the only way to save the libraries from imminent mothballing and closure was for the Borough Council to purchase the libraries and rent them out to the community groups concerned.
- 2.3. The Research and Development Committee agreed therefore to "*recommend to the Executive Committee that it consider the capital purchase of Rothwell and Desborough library buildings and that it call an emergency meeting to make a decision on the matter prior to the 25th June deadline set by Northamptonshire County Council*".

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3. ISSUES SURROUNDING THE LIBRARY ESTATE

3.1. After the meeting, the County Council was contacted and they confirmed:-

a) that there was no risk that the libraries would be closed or mothballed imminently, particularly given the need to wait for a judicial review to be heard

b) that their preference was for libraries to be leased rather than sold, as there was greater value for them in a revenue income stream than a capital receipt.

In view of that advice, reinforced shortly thereafter by conversations with members of the County Council's cabinet, the Leader of the Council, as chair of the Executive Committee, agreed that there was no need to hold an emergency meeting of this committee.

Since then, the County Council have formally agreed – at Council on 21st June – that officers seek to streamline the process of transferring libraries to community groups and not to proceed with the permanent closure of any library before the outcome of the Judicial Review is known, which will be at the end of July at the earliest.

3.2. Turning next to the argument that the Borough Council should seek to acquire both library buildings, in order to rent these out to community groups to provide a library and community hub service, the following issues are relevant

a) If the Borough Council were to rent out the buildings in order just to cover its costs (that is, not as a commercial investment under its *commercial property investment strategy 2017-22*) then the rental value, taking into account the need to borrow money to meet the purchase cost, stamp duty, and legal and surveyor fees, would be greater than that being offered by the County Council.

b) The County Council have not been able to provide any up to date condition information about the buildings, so it is not known what liabilities might exist.

c) The combination of the timing of a judicial review, the 6 monthly pause in a sale caused by the designation of buildings as assets of community value and the likely imposition of a moratorium on the sale of local authority assets in the run up to the creation of unitary authorities, means that it is possible that a sale could not be realised. In any event it would be unusual that one authority would spend money buying assets from another when both were to be submerged into a new authority shortly thereafter.

3.3. Officers and members have met with both community groups seeking to save their libraries, and have been shown their business plans. Both have robust plans which assume that the buildings will be leased from the County Council, and both have planned income streams to cover the anticipated costs. Both

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groups plan not only to provide a continuing library service but to expand the use of the library buildings as a community hub. To that end, the Borough Council has committed to maintaining its customer service centres in both sites, and to make an appropriate financial contribution in lieu of a rent. In the case of Rothwell, the Borough Council also expressed support for the relocation of the Town Council into the library building. A letter supporting both bids was sent to the County Council on the 25th June.

4. POLICY and RESOURCE IMPLICATIONS

- 4.1. The Borough Council's golden rules prohibit it from replacing funding for services cut by another agency. In the case of the library service, breaching this policy could only be avoided by charging a rent which fully recovered the costs of any investment, and which, as stated above, would disadvantage the tenants compared to their renting direct from NCC.
- 4.2. The Borough Council has customer service centres located in both libraries. If the libraries were to close, then these would have to re-provided elsewhere. The additional revenue and capital costs likely in any re-provision have been taken into account and have therefore justified the decision to support both ventures through a contribution in lieu of rent.
- 4.3. The County Council had listed the sale price of Rothwell and Desborough libraries as £460,000 and £380,000 respectively to which would need to be added stamp duty, legal and surveyor fees. Pending the work done on due diligence as to the condition of the buildings, it is not known whether these prices are appropriate or represented good value for the taxpayer. The Council could only meet these costs by borrowing.

5. RECOMMENDATION

The Executive Committee are asked to note this report, endorse the approach taken to date and to advise the R&D committee accordingly.

Background Papers:

Previous Reports/Minutes:

Minutes of Kettering Town Forum June 08
Minutes of Research and Development Committee July 08

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