

Agenda Item 22.

TITLE	Relocation of Twyford Library to the Old Polehampton Boys School site
FOR CONSIDERATION BY	The Executive on 28 th July 2022
WARD	Twyford;
LEAD OFFICER	Director, Place and Growth - Steve Moore
LEAD MEMBER	Executive Member for Climate Change and Resident Services- Sarah Kerr

PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)

To provide the Executive with updated financial information relating to the relocation of Twyford Library to the Old Polehampton Boys School site.

RECOMMENDATION

That the Executive:

- 1) Based on the information in the report, is asked to consider whether to proceed with the relocation of Twyford library.

If the decision is to proceed, that the Executive:

- 2) Agrees to allocate £330,000 of S106 funds to the project;
- 3) Approves the lease agreements for the new library site (as summarised in the report below), and delegates authority to the Director of Place and Growth, in consultation with the Executive Member for Climate Change & Resident Services and the Executive Member for Business & Economic Development, to complete the lease.

EXECUTIVE SUMMARY

In September 2019 the Executive considered a proposal for the relocation of Twyford library to the Old Polehampton Boys School. The Executive supported this proposal in principle subject to further detail on cost, delivery and the lease arrangements for the new facility being determined.

This report updates on this proposal with updated costs and terms for the lease of the building.

Subject to Executive confirming their support for the proposal, the report seeks approval for:

- The Council to take a 99 year lease of the Old Polehampton Boys School building;
- Allocation of additional £330,000 of s106 funding to convert the building into a new library

BACKGROUND

In September 2019, the Executive considered a business case for the renovation of, and relocation of Twyford Library to, the Old Polehampton Boys School. The Executive resolved that:

1. The development of a new library on the site of the Old Polehampton Boys' School in Twyford be supported in principle.
2. The Director of Locality and Customer Services be authorised to determine accurate costs and timing for delivery of the library.
3. The Director of Locality and Customer Services be authorised to keep the planning permission alive by resubmitting or whatever else may be necessary.
4. The Director of Locality and Customer Services be authorised to enter into negotiations with the Polehampton Trust to achieve a long lease at a peppercorn rent for the building.
5. It be noted that the Director of Locality and Customer Services will prepare a detailed proposal for the new library (community facility) for consideration at the Executive meeting in September 2019.

A copy of the original Executive paper 'Polehampton Community Facility/Twyford Library' is included in at appendix (1) of this paper for information.

This Executive report updates on points 2 and 4 of the resolution from that Executive Paper.

BUSINESS CASE

Proposed lease arrangements for Old Polehampton Boys School

Currently the library service occupies a temporary building that is in the freehold ownership of Wokingham Borough Council. In relocating the library service from its existing building to the Old Polehampton Boys School the library service will move from a temporary freehold building (where the Council has ultimate control of how it uses its assets), to being a tenant within the Old Polehampton Boys School (a permanent building), in a leasehold arrangement.

Terms for a lease of the building from Trustees of Old Polehampton Boys School to Wokingham Borough Council have been provisionally agreed as outlined below:

- **Landlord:** Trustees of Old Polehampton Boys School.
- **Tenant:** Wokingham Borough Council
- **Property:** As shown verged red on the plan attached at appendix 2
- **Term:** 99 years with effect from legal completion.
- **Use:** The property's primary use will be as a public library and/or other use subject to landlords consent – such consent not to be unreasonably withheld.
- **Rent:** 1 Peppercorn
- **Repair:** Tenant to be responsible for all external, structural and internal repairs, including but not limited to, maintaining the property as a Grade 2 Listed Building. The

- Tenant will maintain the landscaping and shared car park at the Property and will recharge the cost of maintenance on a proportionate basis.
- **Outgoings:** Tenant to be responsible for payment of all rates, insurances and other outgoings (including utilities) for the Property.
 - **Break Clause:** The tenant will be able to determine the lease on the 40th, 60th or 80th anniversary of the commencement of the lease subject to service of 12 months notice.

The first break clause of the proposed lease is at 40 years so the Council will not be able to determine any future arrangements of the library service (e.g if any alternative locations were identified/became available or improvements/changes to service delivery were identified which didn't require the building) for 40 years.

The Council, as Tenant, will undertake agreed works to the property as outlined in the planning consent, ref: 20122, under a Licence for Alterations from the landlord.

Capital Costs of relocation of the library service into Old Polehampton Boys School

The 2019 Executive approval included a cost estimate of £640,000 to convert the property to a functioning library. Capital funding allocated for the project was subsequently increased to £720,000 to include the renovation of the nearby toilet block to provide toilet facilities for library users and additional storage space for local community organisations.

The Old Polehampton Boys School is a historic Grade 2 listed building that requires a substantial amount of renovation to be able to be used as a public library. There is no internal heating system, and the roof and walls require insulation to be able to maintain the correct amount of thermal comfort for library users and council officers. The entrance to the building needs to be altered to ensure disabled access and other mobility requirements consistent with current building access regulations.

The report presented to the Executive in September 2019 also noted that all the renovations need to be completed in a manner consistent with the building's heritage, meaning that appropriate methods and materials used need to be approved prior to the renovation works commencing.

Since the original cost estimate was prepared there has been some additional elements required within the renovations, including works to comply with the conservation and ecology requirements, the installation of a sprinkler system, and the Council's aim of working towards net zero carbon emissions requiring the installation of an Air Source Heat Pump and underfloor heating system.

In getting to the point in November 2021 where a lease for the new library building was to be presented to the Executive for consideration, to ensure the timely completion of the project, a tender exercise for the renovation works was conducted so that a contractor can be quickly appointed to commence the work. The outcome of this tender exercise was that the total cost for completing the necessary renovation work has increased significantly to approximately £1,069,000.

Since November 2021, a detailed review of the project has taken place to identify any options for reducing the cost of the project whilst still delivering its expected outcome for the users of Twyford Library.

The review of the costs for the Twyford Library project has been completed following a scope of works review with the lowest tenderer. Furthermore, discussions have taken place with conservation specialists, with specific reference to works included in the tender complying with the conservation conditions within the planning approval for the project.

In summary there are four areas where cost savings can be made and noted in the review:

- General scope of works changes that are a minimal compromise to the scope of works and use of the building (£113K)
- Scope of works changes that compromise the conservation officer requirements and will require further discussion and sanction by Planning to divert from his recommendations (£25K)
- Omission of the new build extension (£70K)
- Omit the refurbishment of the library toilets (£38K)

The general scope of work changes can be delivered with minimal impact to the outcome of the project, and it is therefore recommended that these changes and associated savings are implemented.

As the Old Polehampton Boys School is a historic Grade 2 listed building, it is not recommended to pursue savings that may compromise the conservation conditions of its renovation.

To meet the expectations of the project it is not recommended to omit the small extension to the building as this is creating the entrance to the building and will result in a smaller library space for residents.

As the renovation of the toilet block will provide an enhanced level of service for library users, both in terms of previously unavailable toilets and the creation of necessary storage space to support joint working with local community organisations, it is not recommended to omit this element from the project.

Based on the above recommendations, the cost of the project can be reduced to £936,000. However, in view of the national issues affecting prices of materials and labour, and to account for the material price inflation since November 21, it is recommended that a contingency of £107,000 (circa 12%) is included in the cost estimate.

As this project will be providing a level of service for library users consistent with the Council's Library Offer, it is recommended that £330,000 of S106 funds is allocated to this project to ensure its completion.

Other considerations

In considering whether to proceed with the relocation of the library, the following points should also be considered:

- The current proposals and refurbishment will provide an additional 39.9m of floorspace for the library service. The extra space will predominantly be used as a lobby area to ensure the entrance meets accessibility requirements as steps and a lift platform will be required to address differing ground levels between the lobby and main body of the building.

- The proposals bring back into use a listed building and preserves and enhances its long-term future. The restoration and use of heritage assets has a positive impact on communities and helps improve community cohesion, by connecting residents to the history and heritage of their community and enhancing community and individual identity. There are currently no alternative uses for the building proposed so it is unknown how the building would be used in the future if it does not become a new library.
- The listed status of the building does provide some challenges, such as the inability to fit solar panels, therefore impacting on the Council's ability to achieve a Net Zero Carbon development, which are reflected in the cost estimates.
- Future on-going revenue costs will not be known until the building is fully operational. Given the size, age and layout of the building it is expected these will be higher than the running costs of the existing building. Further revenue budget growth may therefore be required.
- The opening of the public toilets will be valued by the community, but the refurbishment and maintenance may require future ongoing revenue budget
- Further investment will be required to create value add space for other community activities or movement to a Hub model. No budget has been identified nor feasibility work on this potential option carried out to date.

Future Use of the Existing Library Site

The current estimate for the value of the existing library site is approximately £300,000. Once vacated, there will be several options for the Council to consider for the future use of this site, all of which will require a detailed financial assessment to determine the benefit for residents, and the value and viability before any recommendations are developed. Any revenue generated through a future use of the existing library site could be utilised to contribute towards any increased running costs of the new library facility.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£1.05M (£720K existing resources and £330K S106) £85K feasibility costs already spent. Carry forward £635K.	Yes	Capital + S106
Next Financial Year (Year 2) Maintaining public toilet, running costs of the library and securing the old site	TBC – running costs	It is unclear at this stage - TBC	Revenue Growth Bid required

Following Financial Year (Year 3) Maintaining public toilets, running costs of the library and securing the old site	TBC – running costs	It is unclear at this stage - TBC	Revenue Growth Bid required
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Other Financial Information

The initial costs of £720,000 for this project are contained within the budget already approved in the capital programme.

It should be noted that £85k of capital has already been incurred, therefore any decision not to proceed will result in an equivalent revenue pressure.

Stakeholder Considerations and Consultation

There is a desire to see permanent library provision within Twyford.

Public Sector Equality Duty

An EqIA was completed for the overall project and submitted with the paper approved at September 2019 Executive

Climate Emergency – *This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030*

Within the constraints of working on a grade ii listed building, making the building as environmentally sustainable as possible is a priority

List of Background Papers

None

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APPENDIX 1

TITLE	Twyford Community Hub Business Case
FOR CONSIDERATION BY	The Executive on Thursday, 26 September 2019
WARD	Twyford;
LEAD OFFICER	Director of Locality and Customer Services - Sarah Hollamby
LEAD MEMBER	Executive Member for Regeneration - Charlotte Haitham Taylor

PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)

To further the Council's commitment to supporting the development of a new library within Twyford on the site of the Old Polehampton Boys School. This report presents the financial requirements of the project and outlines how it will redevelop a historic building into a permanent location for the library in Twyford.

RECOMMENDATION

That the Executive:

- 1) continues to support the relocation of the Twyford Library to the Old Polehampton Boys School site;
- 2) notes the financial assessment, including the potential for a £640k capital bid in 2020/21, and notes the expected benefits for residents;
- 3) will receive a further report detailing the proposed lease arrangements with the Polehampton Trust for approval.

EXECUTIVE SUMMARY

At its meeting in July 2019, the Executive agreed it's in principle support for the relocation of the Twyford Library to the Old Polehampton Boys School in Polehampton Close. The Old Polehampton Boys School is a Grade 2 listed building that is owned by the Polehampton Trust, a local charity with the core aim of supporting local residents in need and children's educational development in the Twyford area.

The Executive also authorised the Director of Locality and Customer Services to develop accurate costs and timings for the delivery of the new library, to obtain renewed planning approval for the project, and to enter into negotiations with the Polehampton Trust to achieve a 99 year lease at a peppercorn rent.

Both the renovation of the Old Boys School building and establishing a permanent home for the Twyford library are longstanding local ambitions for residents in the Twyford area.

The cost estimate for the relocation of the library is £640,000, covering the renovation of the Old Boys School building, the relocation of the library stock and services, and the

necessary project management activities. As with all estimates, more accurate costs will be determined through the detailed design and build process.

There is an existing planning approval for the redevelopment of the Old Polehampton Boys School that is due to expire in October 2019. This planning approval has a significant number of pre-commencement conditions that need to be discharged before works can commence. It is not possible to complete this work before the planning application expires and therefore a new application will be required.

Negotiations have commenced with the Polehampton Trust to secure the lease for the property. Due to the length of the lease it will be necessary to bring back the final terms to the Executive for approval at a later date.

Funding for the project will need to be approved as part of the Council's Capital Programme for 2020/21 and therefore work is not expected to start on site until both this and the planning application have been approved.

BACKGROUND

The Polehampton Trust is a Twyford based charity who actively provide funding for local activities (approx. £60K each year) and are the owners of the Old Polehampton Boys School building, a Grade 2 listed building located in Polehampton Close, Twyford.

In recent years, the Old Boys School has operated as a base for a local theatre group. Whilst the Old Boys School building is structurally sound, its internal condition is particularly dated and would require a significant amount of work to bring it up to an acceptable standard for the delivery of local authority services.

Part of the Old Polehampton Boys School building has already been converted to residential use. The Trust has a longstanding aspiration to develop the rest of Old Polehampton Boys School building into a community facility, and in October 2016 the Trust received planning approval for their plans to do this. The Trust have been unable to make any further progress on this due to lack of available funding.

Despite the inability to raise the funds required for the redevelopment of the Old Boys School, the aspiration to bring it back into use is well supported by the local community.

Wokingham Borough Council has operated the library in Twyford since it took over the responsibility for library services in 1998. The current library is located in a porta-cabin building in Polehampton Close on the opposite side of the road to the Polehampton building. The provision of a comprehensive and efficient library service is a statutory requirement for the Council as specified in the Public Libraries & Museums Act 1964.

There is a consistent view amongst local residents that they would like a more permanent home for Twyford library other than its current porta-cabin site.

The relocation of the library would provide an opportunity to find an alternative use for the current library site. Whilst the existing library building covers an area approximately 114m², the total size of the site is much larger at 800m². Another longstanding ambition within Twyford is to increase the amount of available public parking spaces for local residents as a lot of the available parking in the area is used each day by commuters.

BUSINESS CASE

The Old Polehampton Boys School is a historic Grade 2 listed building that requires a substantial amount of renovation to be able to be used as a public library. There is no internal heating system and the roof and walls require insulation to be able to maintain the correct amount of thermal comfort for library users and staff. The entrances to the building need to be altered to ensure disabled access and other mobility requirements consistent with current building access regulations.

All of these renovations need to be completed in a manner consistent with the buildings heritage, meaning that appropriate methods and materials used need to be approved prior to the renovation works commencing. As with the development of all new or renovated Council facilities, making the building as environmentally sustainable as possible will also be a priority.

As part of the renovations, a new entrance lobby would be created at the side of the building to provide suitable access to the library and to usefully provide a small increase to its size.

In addition to the costs of delivering these renovations, there is also a cost to the relocation of the library services and stock. This includes the relocation of a range of I.T. equipment available in the library and the well-used self-service kiosk.

Finally, the planning approval for the redevelopment of the Old Boys School would need to be resubmitted due to the existing approval expiring in October this year. The existing planning approval had thirteen pre-commencement conditions that would need to be discharged before any renovation work could begin, and it is expected that these conditions would be included within any new approval.

The estimated costs for the renovation of the Old Boys School and the relocation of the library are summarised as follows:

Old Boys School Alterations and Refurbishment	£483,877
Planning Application & Design Work	£50,719
Professional Fees	£60,719
Library Relocation Costs	£17,000
Pre-Commencement Conditions	*£25,000

*provisional estimate

otal Cost	£637,317
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A bid to the Council's Capital programme for 2020/21 and 2021/22 has been submitted to secure the necessary funding for the delivery of this project.

Lease Arrangements with the Polehampton Trust

As agreed by the Executive in July 2019, Officers have begun negotiations with the Polehampton Trust to secure a lease for the Council of 99 years at a peppercorn rent. These negotiations include the confirmation that the Council will renovate and maintain the Old Boys School building for the length of the lease, and that its primary use will be as the local library so that it remains consistent with the aims of the Polehampton Trust. These aims are:

"For the relief of persons in need, hardship or distress and the promotion of education of persons resident in the former ecclesiastical parishes of St Mary the Virgin, Twyford and St James the Great, Ruscombe".

The Polehampton Trust is a registered charity. In terms of the regulations relating to a registered charity, any lease of seven years or more is treated as a disposal of an asset, and therefore the Polehampton Trust will need to take certain steps to ensure it is acting appropriately in agreeing a lease with the Council.

Responsibilities for Charities Disposing of an Asset can be summarised as follows.

Its trustees must be sure that:

- they have permission to sell or lease the property – either in their governing document or in the law
- there is nothing in their governing document that prevents them selling or leasing the property
- the charity actually owns the title to the property
- the sale or lease is in the charity's best interests
- if the property is designated for a particular purpose, that the sale or lease doesn't go against this

The law says that Trustees must:

- try to get the best deal for your charity
- take written advice, including a valuation, from a qualified surveyor before you agree a sale or lease
- advertise the sale or lease, unless the surveyor says otherwise

It may be necessary to refer the proposed lease arrangements to the Charity Commission for confirmation if the Trustees are not confident that they are achieving the best deal for their charity.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council continues to face severe financial challenges over the coming years as a result of reductions to public sector funding and growing pressures in our statutory services. It is estimated that Wokingham Borough Council will be required to make budget reductions of approximately £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current financial Year (Year 1)	£50k	tbc	Revenue & Capital
Next financial Year (Year 2)	£640K	tbc	Capital
Following financial Year (Year 3)	Nil	NA	NA

Other Financial Information

The cost of resubmitting the planning application will need to be met from existing budgets during 2019/20.

Stakeholder Considerations and Consultation

The renovation of the Old Boys School and the relocation of the library to a permanent location are both longstanding ambitions of residents in Twyford.

Public Sector Equality Duty

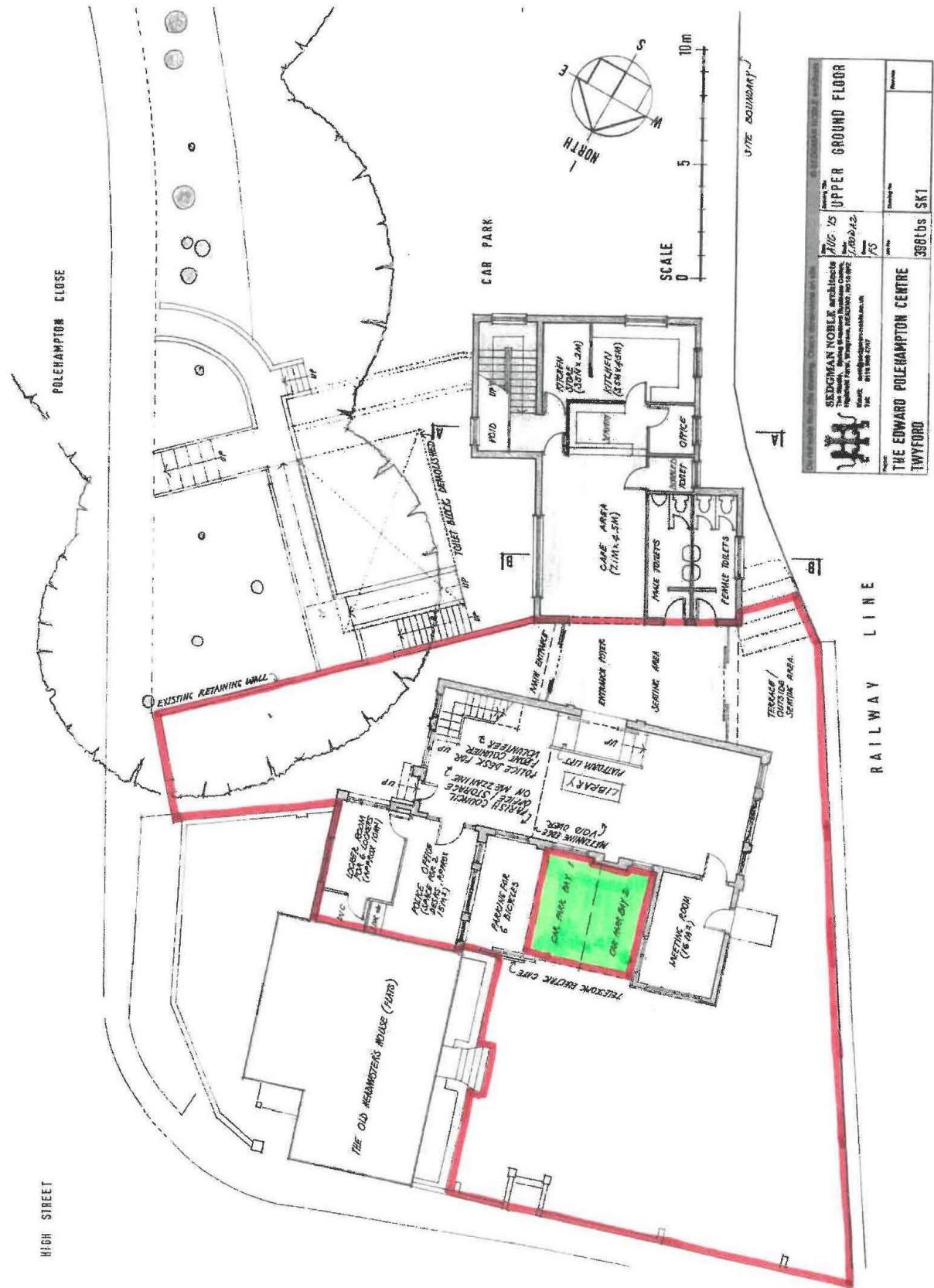
EqIA attached

List of Background Papers

None

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APPENDIX 2



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