

HAMPSHIRE COUNTY COUNCIL**Decision Report**

Decision Maker:	Executive Member for Policy and Resources
Date:	1 November 2013
Title:	Letting of Surplus Space in Libraries
Reference:	5143
Report From:	Director of Culture, Communities and Business Services

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1. Executive Summary

- 1.1. The purpose of this report is to seek approval to the principle of letting surplus space in Hampshire public libraries to community or commercial entities. Existing arrangements allow for available space to be hired out on daily room-hire rates. However, the ability to let space more formally by licence or lease, would enable the Council to take advantage of the opportunity to use physical assets to generate revenue, achieve cost savings and enhance operational benefits and synergies (where possible). This is in line with and would support the objectives of the Transformation to 2015 strategy.
- 1.2. The Executive Member for Culture, Recreation and Countryside has already confirmed support for the initiative. Subsequently, it is recommended that the Executive Member for Policy and Resources approves the principle of letting surplus space to community or commercial entities within libraries.
- 1.3. The report also seeks authority for the Director of Culture, Communities and Business Services (Strategic Manager – Assets and Development) to be authorised to negotiate and agree terms and conditions for occupation with interested parties.

2. Contextual information

- 2.1. Modern libraries offer a range of resources including those accessible online. For example, many reference books in public libraries have now become subscription sites available on the Internet and are no longer published in book format. Hampshire's libraries have embraced this change and now offer a range of services on-line available free via membership of the Library Service.
- 2.2. By the end of August 2013, all public libraries in Hampshire will be offering public access to the Internet via wi-fi, which will provide improved online access for library users, as well as enable space to be used more flexibly

without the need for fixed IT infrastructure. Consequently, the number of physical books in the libraries has reduced and surplus space is potentially available in some libraries which the Council owns or occupies on long leases.

- 2.3. Where surplus space is available in a library, building running costs and operational overheads generally continue to be incurred by the Council for that space, making it inefficient and more costly to operate. Accordingly, it is in the interest of the Council to identify opportunities to intensify the use of inefficiently occupied or surplus space, in order to reduce running costs and operational overheads across the estate.
- 2.4. Transformation to 2015 promotes, in part, better use of the Council's land and buildings in order to achieve efficiencies, cost savings, operational benefits and generate additional income. It is considered that surplus space within libraries could be put to more productive use by marketing it for occupation by community and commercial organisations, with the aim of achieving the following benefits to the Council:
 - increasing revenue to the Service;
 - reducing costs to the Service;
 - promoting co-location with community and commercial entities;
 - fostering operational synergies (where applicable); and
 - encouraging additional use of libraries, particularly in cases where surplus space is let to community organisations whose customer base has similar characteristics and/or needs to those of the Library Service.
- 2.5. Occupation of available space by community or commercial bodies could be administered in one of three ways:
 - a) Daily room hire could be offered on a non-exclusive basis (to a maximum of three months in any continuous period), which is an existing arrangement that would be continued and administered by the Library Service.
 - b) Occupation on a non-exclusive licence basis, on terms and for periods which are appropriate to the availability of space and flexible to suit both parties. Such agreements would be negotiated and documented by Property Services.
 - c) Via commercial leases on terms and for periods which are appropriate to the availability of space and flexible to suit both parties. Leases would be negotiated and documented by Property Services.
- 2.6. The day rate for daily room hire would be at pre-determined standard charges, which already exist and take the form of either a community rate or a commercial rate, depending upon whether direct synergies arise out of co-locating with such groups. The rate for licences and commercial leases would be negotiated by Property Services on a case-by-case basis, taking

into account any relevant market factors and/or operational benefits to be achieved on behalf of the Library Service.

- 2.7. As part of this initiative, the Library Service would like to consider developing new spaces in libraries both as flexible spaces (enabling a range of activities) and, as “hot offices” hireable using the day rate and available for individuals and/or businesses which carry out the majority of their work via the Internet, needing an office only occasionally. The initiative is anticipated to generate income and/or reduce costs for the Council. Importantly, any agreement for occupation would need to demonstrate a net benefit to the Council. Income or cost savings generated would need to exceed costs incurred in creating and managing the space and upgrading security to the premises.
- 2.8. Although there are 53 Libraries in Hampshire ranging from Discovery Centres to small neighbourhood libraries, not all libraries will be capable of creating surplus space for use. However, demand for use of space in libraries has been identified in a number of areas and, as such, it is anticipated that opportunities could exist across the County, where surplus space can be achieved within what will otherwise remain as operational buildings.

3. Finance

- 3.1. Subject to confirmation from Corporate Resources – Corporate Services, it is expected that all income generated from use of surplus space would be received by the Library Service, to offset initial costs and act as an incentive for the rationalisation of operational space. Initial costs for any necessary minor works would form the responsibility of the Library Service. These costs would need to be offset by the receipt of regular income.
- 3.2. The terms of any occupation agreement will require occupiers to maintain their own adequate employers insurance, third party indemnity insurance and contents insurance to the satisfaction of the County Council. Where the County Council maintains buildings insurance, a contribution towards the total cost of such insurance will either be sought through payment of a service charge or inclusive to the agreed rent payable.

4. Performance

- 4.1. One of the key performance measures of the Public Library Service is public visits and this initiative is likely to enable the service to improve on its targets, particularly where a community body is in occupation of space and customers/end users share similar needs and characteristics.
- 4.2. This proposal would accord with the corporate priority for “Enhancing our quality of place”, making modern, flexible space available for use by the community and local businesses.
- 4.3. This proposal contributes to the broader Transformation to 2015 (and beyond) objectives of improving the performance of our physical assets through additional income generation and cost reduction.

5. Recommendations

- 5.1. The Executive Member for Culture, Recreation and Countryside has confirmed support for the initiative to be extended to allow occupation by licence or lease. Subsequently, it is recommended that the Executive Member approves the principle of letting surplus space in Hampshire public libraries to community or commercial entities.
- 5.2. That the Director of Culture, Communities and Business Services (Strategic Manager – Assets and Development) be authorised to negotiate and agree terms and conditions for occupation with interested parties.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	No
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	No
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	Yes
Corporate Improvement plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Direct links to specific legislation or Government Directives		
<u>Title</u>		<u>Date</u>

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. An equalities impact assessment has been considered in the development of this report and no adverse impact has been identified.

2. Impact on Crime and Disorder:

- 2.1 The County Council has an obligation under Section 17 of the Crime and Disorder Act 1998 to consider the impact of all decisions it makes on the prevention of crime. The proposals in this report have no impact on the prevention of crime.

3. Climate Change:

- a) Whilst the reduction in overall carbon generation or energy consumption will probably not be achieved, the County Council's liability for costs in use will be reduced.
- b) Any adaptation works necessary to bring surplus space into alternative use will take into account the need to adapt to climate change, thereby incorporating any specific works or measures as may be required.