



**REPORT TITLE: Proposed re-location of Gloucester Library to the former Debenhams building and entering into a lease.**

<b>Cabinet Date</b>	21 <sup>st</sup> September 2022
<b>Cabinet Member</b>	Cllr Lynden Stowe Deputy Leader and Cabinet Member for Finance and Change and Cllr Dave Norman MBE, Cabinet Member for Fire, Community Safety and Libraries
<b>Key Decision</b>	Yes
<b>Purpose of Report</b>	To consider the proposal to re-locate Gloucester Library to the Former Debenhams building in the centre of Gloucester.
<b>Recommendations</b>	<p>That Cabinet:-</p> <ol style="list-style-type: none"><li>1. Approves the relocation of the library in Gloucester from the current location at Brunswick Road to the proposed location in the former Debenhams building.</li><li>2. Delegates the authority to the Head of Library and Registration Services to undertake public engagement on the detailed proposals to finalise plans.</li><li>3. Delegates authority to the Assistant Director of Asset Management and Property Services, in consultation with the Deputy Leader and Cabinet Member for Finance and Change, to enter into a 25-year lease for the property with the University of Gloucestershire.</li><li>4. Delegates authority to the Head of Library &amp; Registration Services, in consultation with the Cabinet Member for Fire, Community Safety and Libraries, to :<ol style="list-style-type: none"><li>a. conduct a competitive procurement process(es) in respect of contract(s) for<ol style="list-style-type: none"><li>i. the design of the public library space and to award such contract to the preferred tenderer for the duration of up to 12 months, with an extension for up to 6 months</li><li>ii. the supply and installation of furniture and associated fittings for the library and to award such contract(s) to the preferred tenderer(s) for the duration of up to 1 year</li></ol></li><li>b. award such contract(s) to the preferred tenderer(s)</li></ol></li></ol>

	<p>c. determine whether to exercise the option to extend the contract for the design of the public library space for a further period of not more than 6 months on the expiry of the initial 12 month term.</p>
<b>Reasons for Recommendations</b>	<p>Alternative options have been considered which are detailed as options 1, 2 and 3 in the body of the report.</p> <p>The recommendation to relocate Gloucester Library will enable the service to move to a more centralised location with better visibility and accessibility which, it is anticipated, will lead to an increase in library use.</p> <p>It will also support the regeneration of this important building in the heart of the city as part of the wider plans for the creation of a new campus for teaching, learning and community partnerships, having been purchased by the University of Gloucestershire. The move also provides opportunities for partnership working between the Public and University libraries which will enhance opportunities for the general public and University students.</p> <p>The current library building in Brunswick Road is a listed building, requires significant investment and refurbishment, access is poor and the opportunities for improvement are limited. Due to the constraints on the building library services are spread across two floors which does not allow easy access unless a lift is used. Moving to a newly refurbished, fully accessible, energy efficient and state of the art building in an iconic setting in the heart of Gloucester will greatly improve the library offer and present many opportunities for joined up community service provision with the university and other partners. This as part of the wider regeneration work going on in the heart of the city.</p>
<b>Resource Implications</b>	<p>As detailed negotiations are not finalised this part of the report is not for publication by virtue of Reg 4(2)(b) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 and Paragraph 3 of Schedule 12A of the Local Government Act 1972 on the basis that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p> <p>This information is included in the exempt <b>Appendix 2</b></p>
<b>Background Documents</b>	<p><a href="#">Library Strategy</a></p> <p>Medium Term Financial Strategy  <a href="https://www.gloucestershire.gov.uk/media/2113388/final-approved-mtfs-document-february-22-council.pdf">https://www.gloucestershire.gov.uk/media/2113388/final-approved-mtfs-document-february-22-council.pdf</a></p> <p>Floorplans (<b>annex 1</b>)</p>
<b>Statutory Authority</b>	<p>Public Libraries &amp; Museums Act 1964</p> <p>Localism Act 2011</p>

<b>Divisional Councillor(s)</b>	Councillor Pam Tracey MBE
<b>Officer</b>	Name: Mr Neil Corbett Tel. no: 01452 328813 Email: neil.corbett@gloucestershire.gov.uk
<b>Timeline</b>	Public engagement – 1 <sup>st</sup> October- 1 <sup>st</sup> November 2022 Agreement for lease signed – 1 <sup>st</sup> October 2022 Procurement – 1 <sup>st</sup> October – 31 <sup>st</sup> January 2023 Library re-location anticipated – December 2023

## Background

1. Gloucester Library is currently situated in Brunswick Road in Gloucester and opened in May 1900. The building does not easily suit a modern library service with physical constraints placed on it by the listed building status affecting the layout of the building; and legal constraints as it is held by GCC on charitable trusts, and is subject to restrictive covenants. The building is thermally inefficient and is heated by outdated boilers fuelled by fossil fuels, which are located in the City Museum space and cannot be controlled by GCC. It has a high backlog of outstanding maintenance and requires significant updating and improvement to bring it up to modern standards, this is made more difficult and costly due to its listed status.
2. Access into and around the building is restricted due to its traditional layout and the service is required to operate from two separate floors with the public computers being located on the first floor. The stock and library layout is neither efficient nor in line with a modern open plan library, it is thought that the stock use suffers because of lack of visibility.
3. Staff accommodation is not fit for purpose. The basement provides the staff toilet and locker room facilities. It is also home to one of the county's reserve book stacks which houses stock that can be reserved and collected from any library in the county. Access to the basement is via two separate staircases which are steep and winding which raises some health and safety concerns. There is penetrating damp in areas of the basement creating an unpleasant working environment.
4. Gloucester Library is one of two strategic libraries within Gloucestershire; it is the second most visited library in the County although its use has been declining, due in part to its location. The service has significant concerns about Gloucester Library's continued decline; there is now nothing to draw passing footfall to the area. For many years the library was used by students studying at the Gloscat building next door, but Gloscat vacated their building in 2007 with the tower block being demolished in 2011 – 4 years after the building was vacated. Major shops that were located on the corner of Eastgate Street and down into Brunswick Road have closed down leaving the Library and Museum isolated. Plans for the redevelopment of Gloucester do nothing to drive footfall past the current building and moreover directs it away towards the Gates, Kings Square (The Forum), Blackfriars and the Quays. The redevelopment at Quayside will again, pull people away from needing to visit the area at the opposite end of town.

## Options

### Option 1 – Remain in current building

5. The main library building was constructed before 1900 and has become more unsuitable for use as a library building in recent times due to its limitations in configuration and layout.
6. Significant refurbishment including the replacement of elements of the building and services will be required to enable continued occupation by the library service if they were to remain in the building. The building is thermally inefficient resulting in high energy

usage, retrofit opportunities are limited but not impossible. Any works to refurbish and improve the building will be very costly due to its listed status.

7. **Energy usage:** The current location uses traditional gas boilers to heat the space. The current site produces around a total of 54 tonnes of CO<sub>2</sub> from the gas and electricity consumption. This costs on average £20k per year.
8. **Accessibility:** Should the library service employ a member of staff with a mobility issue they would be unable to access the current staffroom as this is accessed via a series of steps and is not accessible via the lift, this would be a breach of current regulations. To address equality access issues for staff, significant alterations would need to be made to the current building to create a new staffroom area.
9. **Size:** the current publicly usable library floor space is smaller than that of the potential new location in the university campus and the layout of the building provides little ability to expand the space available for use by public library users. The library space which is used by the public in the current building has been calculated at 741.49sqm. The proposed location has an open plan public library floor space of 1000m<sup>2</sup>. (Floor plans appended at **Appendix 1**) The proposed layout will significantly improve the customer experience and make it much easier to locate and access books and other resources.
10. The remainder of the current building is staff back-office or partner accommodation which cannot easily be reconfigured for use as public space.
11. **Library usage:** In 2019/20 (pre pandemic) Gloucester Library attracted 193,519 visits. Despite consistent promotion and marketing, visits to Gloucester Library have been declining year on year and have shown a reduction of 27.3% since 2010/11. Book issues have dropped by nearly 43% in the same time period. Some of these statistics reflect the changing way that people use libraries but the significant decline in Gloucester's figures may also be attributed to the changes in the local surrounding area. This can be compared to the same statistics in Cheltenham Library, where visits have fallen by only 20% with stock issues falling by 25%.

## **Option 2 – Re-locate to the former Debenhams building (new university campus)**

12. Negotiations have taken place with the University of Gloucestershire who have purchased the former Debenhams building for use as a university campus. They will create a new campus in this iconic building in the heart of Gloucester that sits in the middle of the regeneration zone in Kings Quarter with direct links to the adjacent transport hub. Negotiations have centred around a minimum 25-year lease within a newly refurbished section of the building on the ground floor with direct access off Kings Square and Northgate Street.
13. To protect the library's longevity, the proposed lease agreement would not contain a break clause, meaning the Landlord is unable to bring the term to an end earlier than the 25 years negotiated. GCC's right to occupy on the same terms as the lease would extend beyond the initial 25-year term on a continuation tenancy, unless the Landlord serves a notice under Section 25 of the Landlord and Tenant Act.

14. GCC would only be responsible for costs relating directly to the occupied space. A service charge would be payable to cover the costs relating to common and shared areas.
15. The proposed location has an open plan public library floor space of 1000m<sup>2</sup> which is larger than the current public library floor area. The new location would be more environmentally friendly than the current library building and will be delivered to BREEAM (Building Research Establishment Environmental Assessment Method) 'excellent' or 'outstanding' level. This is an industry established method of assessing, rating and certifying the sustainability of buildings. The refurbished building will have a highly insulated envelope, limiting heat loss in cold weather and heat gain during periods of hot weather.
16. The heating system within the new site is via an air source heat pump/heat recovery system which would use water rather than refrigerant between the controller and indoor units, so it is more efficient and has a lower environmental impact. A standard gas boiler typically has an output of 0.93 kW for every 1 kW consumed. The air source heat pump/heat recovery system is nearly 3 times more efficient. The new heating/cooling system will be more energy efficient, have lower maintenance costs and a lower environmental impact which embeds the council's commitment to reducing carbon emissions.
17. As demonstrated in Option 1, library visitors have decreased year on year. A presence in the heart of the city, it is anticipated, will lead to an increase in use.
18. The current library building will be considered for other County Council use, or its use considered with our 'One Public Estate' public sector partners. Discussions have already taken place with the City Council about the potential reuse of part of the building linked to the adjacent public museum as well as part of their regeneration aspirations for this part of the city. The vacation of part of the building will reduce the running costs significantly with the remainder of the costs being picked up by the future occupier. Gloucester Library also houses the Drop-In service, Gloucestershire Credit Union, our Ask Us business service and the County's Music & Drama service. These services will remain in their current location and any plans to move them will be subject to a further decision.
19. The new location will be fitted out with furniture, fittings, and digital equipment, appropriate to a new library. Therefore, a compliant procurement exercise will need to be undertaken to appoint a supplier. The public engagement exercise will identify opportunities and adjustments that can be incorporated into the final designs.

### **Option 3 – Re-locate the library to other premises**

20. Other locations have been explored in previous years but to date none have been found to be suitable for the library service or have been in a position to progress. Other locations could continue to be explored but for reasons given above, remaining within the same building continues to present challenges to access and use. The opportunity presented by the proposed location would be lost if we were to wait and explore other future options.

## Risks

21. In moving the library from a County Council owned building to a leased commercial space there is a risk that the future of the library service in Gloucester would be limited to the term of the lease.
22. To mitigate this risk, the lease agreement does not contain a break clause, meaning the Landlord is unable to bring the term to an end earlier than the 25 years negotiated, and GCC's right to occupy on the same terms as the lease extends beyond the initial 25-year term under a continuation tenancy, unless the Landlord serves a notice under Section 25 of the Landlord and Tenant Act 1954. In any section 25 notice, the Landlord must state whether it is willing to grant a new lease. If it is a "hostile" notice (where the Landlord does not want to grant a new lease), it is only able to refuse the grant of a new lease on the following grounds:
  - Premises are in disrepair
  - Arrears of rent
  - Other breaches of covenant
  - Suitable alternative accommodation is available
  - Tenancy was created by sub-letting
  - Landlord's intention to redevelop
  - Landlord's intention to occupy
23. Should a successful hostile notice be served the County Council will find alternative suitable accommodation based on the needs of residents to ensure the County Council meets its statutory duty under the Public Libraries and Museums Act 1964 'to provide a comprehensive and efficient library service for all persons' for all those who live, work or study in the area.

## Financial implications

24. The current location has a backlog of maintenance costs totalling £430,000, which would need to be addressed if the building was to continue to be used as a library. Annual running costs are relatively low, reflecting that the property is wholly owned by GCC, incorporating business rates and general running costs totalling £80,000 per annum.
25. At the proposed location, a 25-year lease, within the security of tenure provisions in the Landlord and Tenant Act 1954, is being negotiated which is mutually beneficial to both parties by paying the lease payment upfront and treating it as a deferred payment. This allows the University to have a lump sum to invest in the building now and enables GCC to agree a fixed lease which avoids inflation increases over the lease period. Detailed costings are shown in exempt **annex 2**
26. There will be a service charge payable which will cover the costs relating to common and shared areas which will incur annual inflationary rises which is being negotiated.
27. Business rates has yet to be set and running costs are being estimated based on the new efficient boiler. All the above costs are expected to come within the available budget of

£325,000 that was agreed at Cabinet in February 2022 to support library enhancement and relocations.

28. A competitive procurement process will be undertaken to identify the best furniture solution for the library which will be funded from existing property capital budgets.
29. Staffing costs will be covered by libraries existing base staffing budget.
30. As detailed negotiations are not finalised this part of the report includes current best estimates and final negotiations will be made within existing available budgets.
31. The costs associated with the proposed location are higher than the current building. However, the additional budget to cover annual rental was set aside as part of the budget setting for 2022/23. A potential income stream arising from the vacation of the current property could reduce this gap, but have yet to be determined.
32. The payment of a lump sum for the lease in advance removes the risk of inflationary uplift and/or maintenance throughout the life of the lease, allowing financial planning to be undertaken with certainty and transferring the risk associated with these elements to the University of Gloucester. At a relatively prudent estimate of an annual 2% inflationary uplift this will result in a considerable cost avoidance for GCC.

### **Climate change implications**

33. The current location uses traditional gas boilers to heat the space added to the electricity costs total on average £20k/year. The current site produces around a total of 54 tonnes of CO<sub>2</sub> from the gas and electricity consumption. The move to the proposed new location would mean that we would no longer need to use as much gas as a resource, future maintenance costs would also reduce significantly and be based on the reduced area occupied. Services that may remain in the current location would use significantly less fossil fuel due to their much reduced occupation.
34. The new library location would be more environmentally friendly than the current library building. The heating system within the new site uses water rather than refrigerant between the controller and indoor units which has a lower environment impact. The building will be built to BREEAM 'excellent' or 'outstanding' standards.
35. A standard gas boiler typically has an output of 0.93 kW for every 1 kW consumed. The electric consumption would be higher than at the current site as this is how the air source heat pump/heat recovery system is powered but they are known for high Coefficient of Performance (CoP) which for each 1 kW of input provides 3 kW output, therefore the air source heat pump/heat recovery system is nearly 3 times more efficient.
36. The new heating/cooling system will be more energy efficient, have lower maintenance costs and a lower environmental impact which embeds the council's commitment to reducing carbon emissions. It will also decrease the chance of possible closure during extreme weather events.



37. The new location will be fitted out with furniture, fittings, and digital equipment, appropriate to a new library and suppliers will be asked to demonstrate their commitment to sustainability. The furniture and fittings from the current library will be re-used where they are in a suitable condition, either within the new site or within another County Council library.

### **Equality implications**

38. Has an Equalities Impact Assessment (EIA) been completed? Yes
39. Cabinet Members should read and consider the Equalities Impact Assessment in order to satisfy themselves as decision makers that due regard has been given. The public engagement exercise will be used to identify any further impacts that can be addressed at the detailed design and planning stage.

### **Data Protection Impact Assessment (DPIA) implications**

40. A DPIA is not required for this decision

### **Social value implications**

41. The library will actively seek volunteers to assist within the new location to support added value services. Volunteering supports with reducing social isolation and increasing confidence and skills. These opportunities will be aimed at all age groups but particularly young and older people and those with disabilities.
42. The Innovation Lab which will be re-located to the new site will work with local businesses to support workshops within the lab through their corporate social responsibility and will also work with students from the University, this in turn may help retain students in Gloucestershire by making these connections with local businesses. The workshops offered within the labs are aimed at building confidence in use of new technology such as 3d printers, virtual reality and other software and hardware and are aimed at all members of the community, including school children. Previous models have included local businesses supporting the workshop offer through enabling their employees to become STEM (Science, Technology & Maths) ambassadors through time off during their working hours.

### **Officer recommendations**

That Cabinet:-

43. Approves the relocation of the library in Gloucester from the current location at Brunswick Road to the proposed location in the former Debenhams building.
44. Delegates the authority to the Head of Library and Registration Services to undertake public engagement on the detailed proposals to finalise plans.

45. Delegates authority to the Assistant Director of Asset Management and Property Services, in consultation with the Deputy Leader and Cabinet Member for Finance and Change, to enter into a 25-year lease for the property with the University of Gloucestershire.
46. Delegates authority to the Head of Library & Registration Services, in consultation with the Cabinet Member for Fire, Community Safety and Libraries, to :
- a. conduct a competitive procurement process(es) in respect of contract(s) for
    - i. the design of the public library space and to award such contract to the preferred tenderer for the duration of up to 12 months, with an extension for up to 6 months
    - ii. the supply and installation of furniture and associated fittings for the library and to award such contract(s) to the preferred tenderer(s) for the duration of up to 1 year
  - b. award such contract(s) to the preferred tenderer(s)
  - c. determine whether to exercise the option to extend the contract for the design of the public library space for a further period of not more than 6 months on the expiry of the initial 12 month term.

#### **Performance management/follow-up**

47. The engagement exercise and its results will be promoted publicly via social media, media release, paid digital advertising, email marketing, with key stakeholder groups and within the library.
48. The procurement contract for the fitout of the new space will include the need to ensure accessibility requirements are fundamental to the newly designed layout of the furniture and fittings within the proposed new library location.