

TRAFFORD COUNCIL

DELEGATED EXECUTIVE MEMBER DECISION REPORT

Report to: Executive Member for Transformation and Resources
Date: 28th May 2015
Report for: Decision
Report of: Acting Corporate Director for Transformation and Resources/The Deputy Chief Executive.

Report Title

Disposal of site at Leigh Road, Hale and construction of a new library facility in Hale.

Summary

On 25 March 2015 the Executive considered a report on the outcome of the Libraries Budget consultation which included consideration of a number of options for the future library provision in Hale. At that meeting the Executive agreed that the Council should proceed to invite tenders on the basis of three potential options in relation to the provision of a library (permanent or temporary) in Hale (together with redevelopment of the former library site) from the bidders who had previously expressed an interest on an informal basis, when expressions of interest in such a proposal had been requested in January 2015. This report sets out details of the tender process and the evaluation of the bids which have been received and makes recommendations in relation to the preferred option and bidder. Financial details from the evaluation appear within the accompanying Part 2 report.

Recommendation(s)

Subject to Contract

- 1. The selected bidder is approved as detailed below in the evaluation. Further information is included in part 2 of the report.**
- 2. To approve the inclusion of the Pavilion building in the property to be disposed of to the selected bidder.**
- 3. The Director of Legal and Democratic Services in consultation with the Deputy Chief Executive is authorised to enter into the requisite legal documentation to dispose of the property to the selected bidder and take a lease of the new library on the terms proposed below.**

Contact person for access to background papers and further information:

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For non-confidential reports to Executive add the following **mandatory** information:

Background Papers: **none**

Relationship to Corporate Priorities	Revenue cost savings of new library facility and capital receipt from sale of land.
Financial	The capital receipt from the sale of the land will be used to support either new capital expenditure or to repay debt. Within the submission it is proposed that there will be significant revenue savings from the building of the new library and community facility compared to the existing budget.
Legal Implications:	<i>The property will be disposed to the selected bidder and a 125 year lease of the new library will be acquired.</i>
Equality/Diversity Implications	<i>The new facility is to be DDA compliant and will be available for use by community groups as well as existing library users.</i>
Sustainability Implications	<i>Sustainability will be considered at design and planning application stage.</i>
Staffing/E-Government/Asset Management Implications	<i>The delivery stage will be managed by Property and Development to ensure that the assets are delivered as detailed in the submission.</i>
Risk Management Implications	<i>Risk of inability of developer to complete transaction, but this will be managed by a robust contract.</i>
Health & Wellbeing Implications	N/A
Health and Safety Implications	N/A

1.0 Background

- 1.1 As part of the development of the Council's budget proposals for 2015/16 public consultation was carried out in order to gather peoples' views on how savings could be achieved and also to invite ideas and suggestions on options for change. The proposal for Hale Library as a result of that consultation exercise was to explore a further three possible redevelopment solutions.
- 1.2 In January 2015 expressions of interest were sought to assess the market appetite for the disposal of the current library site on Leigh Road, Hale and the re-provision of a library facility. The options proposed for consideration for the new library were for provision either on the existing site or an alternative site in Hale and for either a permanent new building or a temporary facility to be provided until 2017.
- 1.3 Further public consultation on specific proposals for the future of the libraries service, including the three development options being considered for Hale Library, took place between 19 January and 27 February 2015. The outcome of the public consultation was reported to the Executive on 25 March 2015 when approval was given to proceed to invite formal tenders in relation to the provision of a library in Hale (together with redevelopment of the former library site) from the bidders who had previously expressed an interest on an informal basis when expressions of interest in such a proposal had been requested in January 2015.

1.4 The Council subsequently sought tender returns for the options as detailed in the report to Executive in March 2015. Tenders have now been returned and assessed and a decision of the Executive Member is now sought to confirm the selected bidder.

2.0 Evaluation

2.1 The tender evaluation process has incorporated submission of initial expressions of interest; an open day; and a tender submission.

2.2 The open day was held on 15th April with potential bidders in order to outline and discuss the Council's requirements in relation to the library provision and to allow potential bidders to view the existing library facility.

2.3 Bids were invited from those developers who had expressed an interest in January 2015. Bids were required to be returned on 5th May 2015. Eleven bids were received in the first instance and following short listing, based on the criteria that was provided in the head of terms, three bids were progressed through to full evaluation. These three bids were progressed to full evaluation as they presented the best overall scores for compliance with the specification of the financial offer to the Council, community benefit and the viability of the proposal submissions that were received. The range of submissions received were for all of the three options that were tendered, but the three shortlisted bids were for options 1 and 2.

2.4 The three short listed bids have been assessed by scoring them as follows; 40% for the financial element, 30% for the community benefits and 30% for Viability and Management. The scoring has been conducted by officers from the Property and Development Service with input from Libraries/Customer Service, Planning, Finance and Highways.

2.5 In order to assess the financial element of the bids scoring has been carried out by analysis of the proposed capital receipt, revenue savings and any additional revenue to the Council and has included discounting for any deferred payments.

2.6 The bid with the overall highest point's score of 85 was submitted by Hale Community Trust and Hillcrest Homes. The bid proposes the purchase of the current library site and the purchase of the freehold of the pavilion building off Ashley Road, Hale. The proposal would provide for the rebuilding of the library, public toilets and pavilion building. The Council would be granted a lease back for 125 years of the library at no cost to the Council. The total size of the proposed new building is 600m². The new building will be funded by a new residential development on the existing library site. The proposal includes for the toilets, pavilion and other community assets to be run by a community charity trust.

Other Options

Alternative options have been considered at both stages of the public consultation for the libraries service and are set out in the report of 25 March 2015. Three different options were outlined in the expressions of interest and the tender stage. The preferred bidder

provided a proposal against option 2 as set out above. For information the alternative options available at the bid stage, but not selected as a preferred bid were as follows:

Option 1 - A replacement, smaller library (minimum size 250m²) to be built on the existing site with residential use of the remainder. The Council will require a long leasehold interest for the provision of the new library.

Option 3 - Premises to be provided for a temporary library (minimum size 250m²) up to the end of 2017 on a lease basis, rent and service charge free and with no dilapidations liability. The premises can be on 2 floors, subject to DDA compliance.

3.0 Consultation

- 3.1** Consultation on the libraries service as a whole was carried out in two stages in November-December 2014 and then in January-February 2015 and a report was presented to the Executive in March 2015 detailing the outcome of this consultation.
- 3.2** Notwithstanding the detailed public consultation which has taken place the Council has recently received a letter from a Hale resident objecting to the proposal on the grounds that it does not reflect the wishes of the community; that the proposed redevelopment will be harmful to the 'village character' of Hale and to the amenities of local residents; that the proposal will give rise to issues in relation to parking and increased traffic; that Hale would be better served through the provision of a smaller library with community facilities being provided for in existing buildings throughout Hale.
- 3.3** It is considered that the public consultation which has been carried out has been effective in identifying a proposal for the future library provision in Hale which benefits from broad support across the community in Hale. Other concerns raised by this resident will be considered and if needs be addressed through the planning process.

Reasons for Recommendation

Implementation of the recommendation will allow for the provision of a new library and other community facilities within Hale funded through the redevelopment of the existing library site. The development will produce a capital return for the Council which will support the delivery of the Council's strategic objectives across the Borough. The proposal will also provide recurring revenue savings for the Council as future maintenance liabilities and running costs for the building will be covered through the development agreement and there will be no on – going liability to the Council.

Key Decision (as defined in the Constitution): No

Finance Officer Clearance (type in initials)...GB.....
Legal Officer Clearance (type in initials)...LP.....

Helen Jones

[CORPORATE] DIRECTOR'S SIGNATURE *(electronic)*

To confirm that the Financial and Legal Implications have been considered and the Deputy Chief Executive has cleared the report prior to issuing to the Executive Member for decision.