

**Executive Board – 24<sup>th</sup> May 2022**

<b>Subject:</b>	Nottingham Central Library
<b>Corporate Director(s)/Director(s):</b>	Frank Jordan, Corporate Director Resident Services Hugh White, Director of Sport & Culture
<b>Portfolio Holder(s):</b>	Councillor David Mellen, Portfolio Holder for Strategic Regeneration and Communications
<b>Report author and contact details:</b>	April Corey; <a href="mailto:april.corey@nottinghamcity.gov.uk">april.corey@nottinghamcity.gov.uk</a> Senior Project Manager Nigel Hawkins, <a href="mailto:nigel.hawkins@nottinghamcity.gov.uk">nigel.hawkins@nottinghamcity.gov.uk</a> Head of Culture and Libraries
<b>Other colleagues who have provided input:</b>	Nigel Hawkins, Head of Culture & Libraries
<b>Subject to call-in:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Criteria for Key Decision:</b>	
<b>(a)</b>	<input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision
<b>and/or</b>	
<b>(b)</b>	Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Type of expenditure:</b>	<input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date: 17.01.2022 and 25.04.2022
<b>Total value of the decision:</b>	£10,524,000 (£8,324,000 Capital, £2,200,000 Revenue)
<b>Wards affected:</b>	All
<b>Date of consultation with Portfolio Holder(s):</b>	06/04/2022
<b>Relevant Council Plan Key Outcome:</b>	
Clean and Connected Communities	<input type="checkbox"/>
Keeping Nottingham Working	<input checked="" type="checkbox"/>
Carbon Neutral by 2028	<input type="checkbox"/>
Safer Nottingham	<input type="checkbox"/>
Child-Friendly Nottingham	<input checked="" type="checkbox"/>
Healthy and Inclusive	<input type="checkbox"/>
Keeping Nottingham Moving	<input type="checkbox"/>
Improve the City Centre	<input checked="" type="checkbox"/>
Better Housing	<input type="checkbox"/>
Financial Stability	<input type="checkbox"/>
Serving People Well	<input type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>	
This report seeks approval to enter into relevant contracts to commence the fit-out for the replacement Nottingham Central Library. The project forms part of the newly developed Broadmarsh car park, bus station and retail development completed in November 2021.	

The Central Library is envisioned to be a library for the future and will contribute to and help activate the newly developed Southside area of the City, broadening the diversification of the City Centre's traditional retail mix to a broader learning and leisure offer.

**Does this report contain any information that is exempt from publication?**

There are appendices to this report which are exempt from publication under Paragraphs 3 and 5 of Schedule 12A to the Local Government Act 1972 because they contain sensitive commercial information and/or which a claim to legal professional privilege could be maintained in legal proceedings, and, having regard to all of the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose all this information because this would release commercially sensitive pricing packages by Morgan Sindall Group and its associated supply chains and legal advice in respect of the Broadmarsh site following the insolvency of the former Broadmarsh head tenants.

**Recommendation(s):**

1. Agree to the commencement of the fit out works for the Central Library project.
2. Agree to the funding for the fit out works from the agreed capital programme.
3. Delegate authority to the Corporate Director of Resident Services to enter into contract to deliver the fit out works.
4. Delegate authority to the Corporate Director of Resident Services to procure any specific purchases required in accordance with the council's contract procedures.

**1.0 Reasons for recommendations**

1.1 Approval of the recommendations will enable commencement of the fit-out of the replacement Nottingham Central Library. This development will be a key foundation stone for the broader regeneration and activation of the Broadmarsh site. The Central Library will also act as a significant draw and destination building to one of the largest City regeneration schemes taking place.

**2.0 Background (including outcomes of consultation)**

2.1 In 2018 following public consultation, the Broadmarsh new build Car Park/Bus Station development was selected as the location to include the replacement Central Library.

2.2 The Broadmarsh scheme was therefore designed to incorporate this requirement. The Library will be a prominent feature and destination landmark for this area and will provide a key visual façade for Collin Street and Carrington Street. Its location is well positioned as a pivotal point between Nottingham Castle to the West, the new Nottingham College to the East, the new Northern access route and new park emerging from Listergate.

2.3 The main build scheme for Broadmarsh Car Park / Bus Station was completed in November 2021 and since that date, on-going work has taken place to both ensure that the as built 'shell' provided for the Library matched the designs developed and allowed for the scheme to be fully market tested regarding pricing in order to provide assurance that the fit-out costs are affordable.

2.4 Proposed plans for the new Library can be found at Appendix A.

### **3.0 Development of the Scheme**

- 3.1 In 2020, FaulknerBrowns Architects finalised a developed design for the replacement Central Library fit out and the scheme was independently costed in August 2020.
- 3.2 Subsequently, a Capital Programme review was undertaken and a new Capital Strategy 2021/22 - 2025/26 was developed and agreed by Executive Board in February 2022 and Council in March 2022. This now forms the foundation of the Council's long-term planning in which the replacement Central Library scheme was re-confirmed, subject to affordability.
- 3.3 In late 2021, a review of the design and cost was undertaken to assess suitability and affordability to deliver the scheme. As a result, SCAPE contractor Morgan Sindall were engaged to complete a full tender of the required fit out works.
- 3.4 The fully market tested fit out scheme, alongside a costed and agreed value engineering programme was undertaken and completed which resulted in an affordable scheme for the replacement Central Library. The details of the costs and specification for the scheme are outlined in Appendix B (Tender Report by Pick Everard) and proposed summary project programme (Appendix C).

### **4.0 Libraries Needs Assessment**

- 4.1 In March 2021, Nottingham City Council Library Service began a piece of work to help better understand what our communities require from a modern library service with the aim to set out a future transformation for the service. Consultation around proposals for change as part of this work entitled 'The Next Chapter' recently closed on the 24<sup>th</sup> April 2022, with the service receiving over 2,887 responses to the proposals put forward.
- 4.2 The research carried out as part of Phase 1 of the need's assessment reinforced the important role that the Central Library plays in people's usage of Nottingham's Library Services. When investigation was undertaken of the services data, it showed Nottingham Central Library had the largest active members (34% of the overall active library data base). Nottingham Central Library accounted for 32% of all visits made to the service, it also accounted for 27% of the service's total book issues and 47% of Free PC & Wifi hours used. Of the 1,700 responses, 40% selected Central Library as their preferred Library.
- 4.3 The recent Phase 2 consultation also asked respondents to give their views on a new Central Library as part of the Broad Marsh redevelopment. Of the 2,800 responses, the vast majority were positive and in support of a replacement Central Library.
- 4.4 In detailed written responses received from partners including DCMS, ACE, UNESCO City of Literature and Inspire, all emphasised the importance of having a Central Library in delivering Nottingham's statutory duty of a comprehensive and efficient library service including the provision of citywide and regional specialist resources.

- 4.5 The Central Library's depth of its stock and specialist collections is seen as a fundamental part in fulfilling the City's overall future Library Strategy and a key link to ensure and support community library delivery and development.
- 4.6 As part of the design for the replacement Central Library, we have continued to focus on children and young people and the way that they learn. We recognise that Libraries offer children and young people an opportunity to explore, imagine and make their own choices of books to read and activities to engage within.
- 4.7 The focus for the replacement Central Library through its design, programming and by working in partnership with many specialist providers is to provide a creative space for all ages to expand their horizons.

## 5.0 Capital Review

- 5.1 The delivery of the project remains a key priority for Nottingham City Council and the scheme has remained within the Capital Programme, subject to affordability.
- 5.2 Two Project Assurance Group (PAG) reviews have been carried out on the project in December 2019 and May 2021 which involved an assessment of the outline and full business case, finances and project delivery.
- 5.3 The scheme was reviewed and scrutinised by the Capital Programme Board on the 25th April 2022. The Board reviewed the tendered works of the main fit out as well as affordability of the scheme within the timelines proposed.

## 6.0 Other options considered in making recommendations

- 6.1 A number of alternative options have been considered for the delivery of a Nottingham Central Library and dismissed. A summary of options reviewed is laid out below:

Alternative Options Considered	Key Considerations
1. Do not provide a Central Library service for Nottingham City and Nottinghamshire County residents	<p>This would reduce development costs, but the Council would be open to judicial challenge as to whether it was fulfilling its statutory responsibility for providing a comprehensive library service.</p> <p>The Libraries Needs Assessment, currently out for consultation, clearly showed a high usage of the Central Library as part of the Cities overall library provision. Its role demonstrated that it was an essential part of the development of the service and a key holder of collections and resources that help support the Neighbourhood/Community library offer.</p> <p>Removal of the Central Library provision would break the agreed working protocol between Nottingham City and Nottinghamshire County Council. This agreement shares responsibility for provision of the City and County Archives and a Central Library service provision for Nottingham and Nottinghamshire.</p>

<p>2. Refurbish the existing Angel Row site</p>	<p>The current condition of Angel Row is poor. In light of its failing drainage, mechanical, electrical and asbestos issues, the cost of refurbishment would be on-par with the replacement costs for a Library at the Broadmarsh complex.</p> <p>A sale has been agreed for the site which will make a significant capital receipt towards NCC's capital programme. If the existing site is retained for the Central Library, the capital receipt would not be available and the regeneration opportunity for the development of the Angel Row site and the surrounding area would be lost.</p>
<p>3. Reduce and further sub-divide the current Library space designated within the Broadmarsh complex in order to reduce development costs</p>	<p>The space allocated within the Broadmarsh complex has been designed specifically for the replacement Central Library including but not limited to structural loadings, lift location and key mechanical and electrical infrastructure. Sub-dividing the space would be very difficult and costly to undertake at this point now the building has been built and modified for the replacement Library.</p> <p>Making the library smaller would compromise the collections and material that the Central Library is expected to hold and would give rise to an on-going need for further off-site storage. This off site storage would need to be managed and run to help support book stock and other specialist material required.</p>
<p>4. Convert Loxley House and incorporate the Central Library within this building</p>	<p>The design and floor loadings of Loxley House do not lend themselves to an easy conversion to accommodate the replacement Central library.</p> <p>Detailed designs, structural loading calculations, acoustic management and mechanical and electrical studies would need to be commissioned to determine its viability and provide an understanding of potential costs.</p> <p>This work would conflict with letting / partnering agreements currently on-going and being pursued with Loxley House by the NCC. This work would also further delay the opening of Central Library to the public by at least 12months.</p>

## 7.0 Consideration of Risk

7.1 A full risk register is maintained by the Project Manager. Below is a summary of the key risks and mitigations.

7.2 **Capital and Revenue Costs:** There is a risk that the project costs exceed the budgets forecasted for delivery of the scheme, especially as construction and commodity prices are volatile. To mitigate this risk we have comprehensively market tested the construction prices and have a fixed price for the delivery of the scheme.

7.3 **Reputational Implications:** In order to mitigate negative reputational implications, an appropriate Communications and Engagement plan / strategy which includes stakeholder mapping and key activities in line with the programme has been produced. A single point of contact has been agreed from the Communications department who will be made responsible for managing all interlinked project messages. All Communications activities and funding is to be agreed in advance by the Project Board and Project Sponsor and coordinated in line with the Libraries Needs Assessment.

7.4 **Integration with the Public Realm Design:** There is a risk that the complex co-ordination for all construction works in this location overlap. To mitigate this, planning is taking place with the Broad Marsh project programmer to ensure site access, site compounds and any necessary site welfare facilities are discussed and agreed.

## 8.0 Finance colleague comments (including implications and value for money/VAT)

## 8.1 Capital Finance Implications

- 8.2 The overall cost for the project is £11.654m including £2.2m revenue for ongoing maintenance and repairs. At present, the Capital Programme includes an approved budget of £1.1m in order to carry out the necessary design work, of which £0.6m has been incurred to date.
- 8.3 Following approval of this report, the Capital Programme will be increased by £8.3m to complete the fit-out with a further £2.2m being set aside in an earmarked Central Library revenue reserve.
- 8.4 The 5 year Capital Programme as agreed at the February 2022 Executive Board meeting included allocations for a replacement Central Library. These approvals are in line with the sums previously estimated and submitted. The recommendations to proceed with the replacement library to be approved by the Capital Programme and revenue reserve will be amended as follows:

	<b>Approved Position £m</b>	<b>Current Position £m</b>	<b>Movement £m</b>
Approved Capital Programme	1.130	9.454	8.325
Planned Capital Programme	10.524	0.000	(10.524)
Sinking Fund (Revenue Reserve)	0.000	2.200	2.200
<b>Total Budget</b>	<b>11.654</b>	<b>11.654</b>	<b>0.000</b>
<b>Capital Funding/ Sinking Fund</b>			
Unsecured Grant	(0.946)	0.000	(0.946)
Capital Receipts (*)	(8.000)	(8.946)	0.946
Revenue Reserve (£2.2m earmarked for Sinking Fund)	(2.708)	(2.708)	(0.000)
<b>Capital Funding</b>	<b>(11.654)</b>	<b>(11.654)</b>	<b>0.000</b>

(\*) The opportunity cost of the current funding position equates to **£0.3m** p/a.

- 8.5 The General Fund Capital Programme is carrying forward sufficient secured capital receipts to fund the replacement Central Library as per **Table 1**.
- 8.6 However, please note that amending the Capital Programme as defined in **Table 1**, could mean that:
- 8.6.1 Un-committed capital projects (i.e. planned schemes) may/will require Capital Receipts to be secured during 2022/23 prior to obtaining formal approval and the Council contractually committing.
- 8.6.2 Items currently classified as a higher priority than the replacement library (as defined by the Capital Strategy) could be unfunded at March 2023 if forecast 2022/23 capital receipts slip, such as the 2023/24 approved Capital Programme and 2022/23 Transformation / redundancy costs.
- 8.7 The project team are still intending to apply for grants to help contribute towards specific equipment elements of this projects, if opportunities do arise. Where this is successful, these grants will be applied to this project as defined by the Section 151 Officer.

- 8.8 The £2.2m sinking fund will be held in a reserve to maintain the Central Library over the financial modelling period. It is forecast that this fund will be for revenue expenditure. If this reserve is required to fund capital works, further approval will be required.
- 8.9 Please note that the site on which the new library will be situated has been opted to tax. Therefore, any potential letting activity from the new library will require the Council to charge VAT.

Comments provided by Tom Straw, Senior Accountant Capital Programmes (27<sup>th</sup> April 2022)

#### **8.10 Revenue Finance Implications**

- 8.11 The replacement Nottingham Central Library at the new Broadmarsh development was approved on the assumption that the running costs can be contained within the approved budgets for the Angel Row building (cost neutral). The approvals were at Executive Board in December 2018 and Leaders Key Decision number 3479 in March 2019. This continues to remain the case.
- 8.12 Following this assumption, budget managers have been requested to continue to ring-fence budgets they hold for the delivery of the Central Library at Angel Row so that the resources can be used for the replacement Nottingham Central Library at Broadmarsh. The current staff structure for the replacement Central Library remains affordable and the budgets ring-fenced for this purpose. The project team have collated details of operations and cost estimates for the new location, where available, to ensure that the running costs remain within the approved budgets.
- 8.13 As part of the 2022/23 refreshed MTFP, a one off saving of £0.266m has been approved by Executive Board, pending the development of the site. Subject to approval of the 2023/24 MTFP, the budgets are expected to be reinstated for when the replacement Nottingham Central Library re-opens.

Comments provided by Maria Balchin, Senior Commercial Business Partner Resident Services (4<sup>th</sup> March 2022).

#### **9.0 Legal colleague comments**

- 9.1 See Exempt Appendix F.

#### **10.0 Procurement Comments**

- 10.1 Procurement will work closely with the client to ensure that all procurement activity arising from the fit out of the library is in-line with NCC's Contract Procedure Rules and Public Contract Regulations 2015 and that all necessary approvals to spend are in place prior to commencing any procurement activity.

Comments provided by Sue Oliver, Category Manager Procurement (25<sup>th</sup> March 2022)

## **11.0 Property Services Comments**

11.1 The proposals outlined in this report do not cause any significant property related concerns. Property Services, FM and library colleagues will work together to ensure the fit out works are facilitated and that the ongoing operation of the library within the wider Broadmarsh Car Park & Bus Station is as efficient as possible.

11.2 The legal issues outlined in the exempt Appendix F should be noted.

Comments provided by Beverley Gouveia, Head of Disposals & Development (3<sup>rd</sup> March 2022).

## **12.0 Crime and Disorder Implications (If Applicable)**

12.1 Library's often act as safe and trusted spaces. A library is often seen as a sanctuary which provides information and the opportunity for many to be sign posted to numerous services that help them tackle or overcome challenging issues and circumstances in their lives. Libraries can be the first port of call for many new citizens, migrants or refugee's living in the City, providing vital first steps in helping them integrate, establish employment and see Nottingham as their home. This is a vital part of community cohesion and contributes to making Nottingham a safer community.

## **13.0 Social value considerations (If Applicable)**

13.1 Not only will the project strongly support Nottingham's place as one of the key cultural destinations in the UK by driving forward tourism and investment in the City, it will act as a model for all future library developments across the UK at a time when the social value of libraries has never been greater.

13.2 The Library service promotes life-long learning, supports children's literacy, encourages digital inclusion through access to computers and WiFi and directly and indirectly contributes towards the social and economic wellbeing of its communities.

## **14.0 Regard to the NHS Constitution (If Applicable)**

14.1 Nottingham Central Library acts as a community hub to connect citizens, reduce isolation and promote positive social action (such as health schemes and environmental awareness).

14.2 One of the four main aims of the Library service is to helping local people access employment and encourages local enterprise through the provision of resources and support structures.

14.3 The merits of the Library for the City as a whole are clear, offering the prospect of more jobs, prosperity, and better quality of life for citizens. This is alongside evidence regarding the importance of literacy and reading for pleasure on life chances, health and well-being.

## **15.0 Equality Impact Assessment (EIA)**

15.1 Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because:  
(Please explain why an EIA is not necessary)

Yes   
Attached as Appendix D, and due regard will be given to any implications identified in it.

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

16.1 Has the data protection impact of the proposals in this report been assessed?

No   
A DPIA is not required because records will be managed in compliance with the Council's legislative requirements and in compliance with the wider regulatory environment described in the Records and Information Management Policy January 2021 v5.0.

Yes   
Attached as Appendix x, and due regard will be given to any implications identified in it.

## **17.0 Carbon Impact Assessment (CIA)**

17.1 Has the carbon impact of the proposals in this report been assessed?

No   
A CIA is not required because:  
(Please explain why a DPIA is not necessary)

Yes   
Attached as Appendix E, and due regard will be given to any implications identified in it.

## **18.0 List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)**

18.1 None

## **19.0 Published documents referred to in this report**

19.1 Treasury Management Strategy 2022/23 and Capital Strategy 2022/23 – Executive Board, February 2022

19.2 Treasury Management Strategy 2022/23 and Capital Strategy 2022/23 – Council Meeting, March 2022