

**Report for:** Cabinet 11<sup>th</sup> September 2018

**Title:** **Hornsey Library Refurbishment** – Budget Virement

**Report**

**Authorised by:** Richard Grice, Director of Customers, Transformation and Resources

**Lead Officer:** Judith Walker, Head of Customer Services and Libraries

**Ward(s) affected:** Crouch End and Hornsey

**Report for Key/**

**Non Key Decision:** Key decision

**1. Describe the issue under consideration**

- 1.1. To seek approval from the Cabinet to increase the scope of the original £1m Hornsey Library refurbishment project to include critical maintenance, Health & Safety issues and improve carbon management. This will increase the total cost of the combined project to £3,277,000. The cost of this will be contained within Corporate Landlord's and carbon management budgets and will be split over two financial years.
- 1.2. To seek Cabinet approval to vire £2,266,000 over a two year period (18/19 & 19/20) from the Corporate Landlord's capital and carbon management budgets to the Hornsey Library refurbishment project. This is to deal with critical maintenance, and building fabric improvements for the Hornsey Library project.

**2. Cabinet Member Introduction**

- 2.1 Hornsey Library is a grade II listed, Council-owned property. It is one of our three main libraries and as such is an important civic building. This additional capital investment is vital in ensuring the building is in sound structural condition. The capital funds complement the investment in internal refurbishment, and together the whole project should result in a revived library inside and out.
- 2.2 Hornsey Library is extremely well-used and provides key services to our communities in Crouch End, Hornsey and much further afield. These services undoubtedly contribute to the Council's corporate priorities. As well as a fine book stock, the library includes an exhibition gallery; café area; internal garden and a lovely children's library. In addition it provides a home for an amazing collection of musical scores used by orchestras and musicians from around the country.
- 2.3 The library is in a very prominent position, adjacent to Hornsey Town Hall. Renovation of the library will assure its status as a civic institution and will be

complemented by the new arts centre being developed as part of the Town Hall renovations.

### **3 Recommendations**

#### **It is recommended that Cabinet**

- 3.1 Approves the virement of £2,266,000 from the Corporate Landlord and Carbon Management budgets over a two year period. This will allow for critical maintenance; health and safety works and structural and building fabric improvements within Hornsey Library as set out in section 9.1.2 of the report.

### **4 Reasons for decision**

- 4.1 Hornsey Library is a 55 year old, grade II listed building. It was designed as a purpose-built working library. The library currently requires a significant amount of maintenance, as it still has many of its original fittings such as the heating system, building fabric (windows, roof and wall cladding), and electrical systems etc. The majority of these are now failing and causing operational and safety issues. There are also accessibility issues to some elements of the building.
- 4.2 The proposed budget increase and associated virement will enable the refurbishment project to proceed, reducing the risk of re-work which could be required with resulting delays if the maintenance is carried out at a later date. It will allow the library to continue to provide modern, fit-for-purpose and fully accessible services, meeting the needs of the local community in the future. The works are due to start on site in January 2019 and take approximately 7-8 months to complete.
- 4.3 The investment into Hornsey Library will mirror the commercial investment into the town hall development and will represent the Council's commitment to investment into its libraries and infrastructure, retaining a significant well-loved landmark building as a Council asset. The structural works will enable an already well used facility to continue to function properly into the future.
- 4.4 It is anticipated that investment in new energy equipment and insulation, will reduce operational running costs for the Council through energy consumption and ongoing routine maintenance. The inclusion of solar PV panels will promote the Zero Carbon ambition of the Council to the wider community.

### **5 Alternative options considered**

- 5.1 **A 'do nothing'** option is not considered appropriate as it would see the building continue to deteriorate and continue to fail the public through building closures from faults such as no heating or leaking roofs/windows, to safety issues from failing masonry panels.
- 5.2 **Only carry out internal modifications to improve the service, the original scheme.** This was discounted as it does not address the building condition

issues such as the leaking roof and windows, the boiler which is constantly breaking down; and the external cement wall panels which are crumbling; or the uneven pavements which are health and safety risks. If these works were carried out separately at a later date then there would be a significant amount of rework to the newly installed fixtures and finishes, as well as the potential risk of adhoc library closures.

- 5.3 **Carry out all maintenance within the building.** This option was discounted as it would mean an additional cost of £1,000,000 above this proposal, and it is recognised that there are limited funds within the Council. The building and operational maintenance requirements can be met by the virement funds requested. It is also expected that the remaining works will be carried out over the longer term period and will not have any impact on the proposed scheme.

## 6 Background information

- 6.1 In 2015 the Council approved a capital programme of works to improve and modernise Haringey Library Services. This included all six branch libraries, Wood Green and Hornsey main libraries. (Marcus Garvey library was not included as it had been recently refurbished). Details of the overall library programme budget is shown below, all costs are indicative and a thorough tender process will be undertaken to ensure value for money.

	£k
<b>Hornsey Library Internal Modifications</b>	<b>1000</b>
<b>All other Libraries in Haringey Council</b>	
Wood Green	450
Muswell Hill	85
Alexandra Pk	110
Highgate	87
Stroud Green	87
Coombes Croft	42
St Ann's	139
IT	500
Misc	300
<b>Total</b>	<b>1800</b>
<b>Overall total</b>	<b>2800</b>

- 6.2 The Hornsey Library project was the single largest investment within the programme at an estimated £1,000,000. The original scope for this money was to improve the internal spaces so that they could provide a modern, fit-for-purpose library and assumed that the building was in good condition with no urgent maintenance issues.

- 6.3 The Hornsey Library project started to be developed in 2017/18. The original project assumptions were that Hornsey Library was in a good state of repair

and would only require internal adaptations. However, the project, in conjunction with the corporate landlord, has identified that the 55 year old building is in a poor state of repair and requires significant building improvements to ensure it is operationally fit for purpose and complies with building regulations. From the initial feasibility study the following additional high level costs have been identified:

Base case to improve service	£1011k	Already approved with works to improve operational layout, internal finishes etc.
End of Life Maintenance	£1545k	Heating replacement, repairs to fabric roof, glazing, drainage, lift etc.
Health and Safety building-related issues	£105k	Unsafe decorative concrete panels. Paving, W/C ventilation
Building efficiency improvements	£616k	Improved glazing, wall and roof insulation and Photo Voltaic Panels
Total	£ 3277k of which £1011K is already approved and funded this request is for an additional £2,266k.	

## 7 Position from Corporate Landlord

- 7.1 The corporate landlord has agreed that the end of life maintenance and health and safety issues are required and supports the need for them to be carried out, but wishes to note the impact on their capital budget of £1650k. The corporate landlord has already agreed to carry out urgent boiler replacement works this summer at a cost of between £300k-£400k from the corporate landlord budget which is to be approved under a delegated authority. The replacement boiler will be more energy efficient and should also reduce ongoing maintenance costs essential to maintaining the service during the winter months.
- 7.2 The corporate landlord is considering the overall maintenance requirements for Haringey's corporate estate and is developing a strategic forward maintenance plan for these corporate buildings. The overall capital budget for works to all corporate buildings is £2.5m per annum until 2019/20. The proposed Corporate Landlord works to Hornsey Library equates to 27.9% (£696,000) of the total Corporate Landlord capital budget for 18/19 (before the 2017/18 capital carry forward) and 51% (£1,283,00) in 19/20 . It is recognised that these works need to be done at the same time as the main library scheme. If they are carried out later then there would be a significant level of rework required on fixtures and finishes etc.
- 7.3 Whilst the Corporate Landlord is supportive of the Hornsey Library project with this capital funding, it needs to be recognised that this will impact on their ability to deliver other capital schemes across the wider corporate estate. It is

recommended that the decision to allocate this level of funds to one site is made corporately. There may need to be an increase in the corporate landlords budget in 19/20 to cover the reduced budget from carrying out the works at Hornsey Library. Should this be necessary then a bid will be made as part of the Council's budget setting process for 2019/20 and beyond. The corporate landlord will be fully involved in the scoping and tendering process for these works.

- 7.4 A further £616k is also required for the building efficiency improvements. This is to be part funded by the carbon management teams budget for energy reduction c.£75k and it has been agreed to use the income from carbon-offsetting funds raised from the adjacent town hall development £212k. The remaining £329k is to be funded by the corporate landlord.
- 7.5 Energy running costs for the library are £49k/yr these are set to increase to £116/yr within the next 10yrs. By doing these works energy costs will reduce to £66k/yr this gives a straight-line payback of 7 years. The council will also reduce its carbon footprint by 51 t/CO2/yr.
- 7.6 A separate Cabinet report is to be submitted for the award for the main contract in November 2018. Works are due to start on site in January 2019 and complete in early August 2019.

## **8. Contribution to strategic outcomes**

- 8.1 The Hornsey Library project looks to improve the service offering within the library. The projects aims are to improve Customer Perception and Operational Efficiency. These proposals are primarily aligned with the Corporate Priority X but are also aligned with the Corporate Plan priorities 1,2,4 & 5. Works under the scheme include providing a modern operational layout through the use of new and refurbished furniture, fixtures and fittings, and redecoration as well as improved IT and connectivity.
- 8.2 The work proposed will improve the energy performance of the building. This will reduce the buildings current energy cost of £49,000 to £28,000 per year. With the Council's energy prices expected to rise significantly each year over the next few years, this investment will reduce future financial risk to the Council. Alongside this the refurbishment will offer maintenance savings: both of these demonstrate value for money to the Council.
- 8.3 The library is a well-used public and civic building. The inclusion of solar panels on the roof, signage on energy generation and usage, and new energy efficient lighting systems will demonstrate leadership in carbon reduction and promote the Council's Zero Carbon by 2050 commitment.

8.4 The refurbishment of the library offers the Council the opportunity to improve accessibility of the building to ensure that it can be used by all sections of the community.

**9. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

9.1 The report is recommending revising the scope of the original Hornsey Library scheme to incorporate health & safety improvements and essential building fabric repairs. The existing budget of £1.011m needs to be increased by £2.266 to £3.277m.

9.1.2 It is proposed that the corporate landlord budget will contribute £0.696m in 2018/19 & £1.283m in 2019/20, and the carbon management team budget will contribute £0.123m in 2018/19 and £0.164m in 2019/20. If approved, the budgets will be amended accordingly. The proposed virements are within the overall agreed capital programme budgets.

9.1.3 The scheme also produces lower running costs for the building. These will contribute to the achievement of the Council's MTFS.

**9.2 Strategic Procurement**

9.2.1 SP acknowledges the requirement to seek approval from the Cabinet to increase the scope of the original £1m Hornsey Library Service refurbishment project to include critical maintenance, address health and safety issues and improve carbon management.

9.2.2 SP notes that the original systems and fittings, such as the heating system, building fabric (windows, roof wall cladding) and electrical systems, are now starting to fail, and cause related operational and safety problems.

9.2.3 SP has no objection to the approvals sought in this report.

**9.3 Legal**

9.3.1 The Assistant Director, Corporate Governance has been consulted in the preparation of this report, and makes the following comments.

9.3.2 Confirmation can be given of the fact that Cabinet has the Constitutional authority to agree the Recommendations contained in this report. Reliance is placed on Cabinet's Financial management and resources powers under Part Three, Section C of the Constitution in relation to Recommendation 3.1 (increased budget) and Part 4, Section 1 of the Financial Regulations in relation to Recommendation 3.2 (virement above £250,000).

**9.4 Equality**

9.4.1 The Council has a public sector equality duty under the Equality Act (2010) to have due regard to the need to:

- a) tackle discrimination, harassment and victimisation based upon the protected characteristics;
- b) advance equality of opportunity between people who share those protected characteristics and people who do not;
- c) foster good relations between people who share those characteristics and people who do not.

The protected characteristics are age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex, sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

9.4.2 An equality impact assessment (EqIA) is to be completed for the main contract to be let.

9.4.3 The potential to provide improved accessibility to the mezzanine level of the library by way of a lift has been identified through Stage 2 design. This will be confirmed during the next stage contract award.

**9 Local Government (Access to Information) Act 1985**

N/A