

Assessment of applications for the asset transfer of Carnegie Library

From Helen Charlesworth-May – Strategic Director – Adults and Health

In the capacity as Chair of the Carnegie Asset Transfer Assessment Panel

Recommendation from Chair of the Carnegie Asset Transfer Assessment Panel

Assessed against the brief neither organisation has fully met the criteria established by the Council for asset transfer. However, given that the Council is ambitious for such an important community asset to be run by the community, for the community I have considered how this can be achieved.

As summarised in 4.1 below neither of the organisations has fully met the criteria, however, the Council does have at its disposal the means to provide some support to the organisations, either directly or through an appropriate third party organisation.

In this context the organisation thought most likely to be able to deliver a sustainable medium term project is the Carnegie Herne Hill Community Trust CIO because their proposal for the building offers a vision that has the potential to maximise the benefit to the community and enhance what is a much valued building over the longer term, and on the basis of the PWC assessment it is the group best equipped organisationally to run a successful endeavour.

1. Introduction

1.1 The Council received applications from two community groups seeking the asset transfer of Carnegie Library namely the Carnegie Library Association and the Carnegie Herne Hill Community Trust in line with the Council's Enabling Asset Transfer policy agreed in October 2012.

1.2 Both groups submitted a business plan including three year financial projections setting out how they met the Public Interest Test as set out in the policy. The Council commissioned PWC to undertake an assessment of the two business cases against the public interest test criteria.

Each category was scored as follows:

Score	Appraisal criteria
Green	Criteria considered to be met
Amber	Criteria only partially met either due to insufficient information or a failure to meet the criteria in some areas.
Red	Criteria not met or key elements of the sub-criteria not met either due to insufficient information or a failure to meet the criteria.

Further details of these assessments are provided in section 4 below. The assessments were shared with the bidding organisations prior to interview.

1.3 In March 2017 the Council undertook to set up an assessment panel to assess both bids and make a recommendation as to the transfer of the asset. The panel met three times in order to reach a recommendation.

2. Background

- 2.1 Carnegie Library is a Grade II listed building, located at 118 Herne Hill Road, London, SE24 0AG. The building is split over three floors. In October 2015, as part of a range of proposals for delivering savings across Cultural Services, the Culture 2020 Cabinet report recommended that the library service at Carnegie was decommissioned and replaced with a revised neighbourhood library service.
- 2.2 The neighbourhood library service, which will be managed by Lambeth Library Service and staffed for approximately two hours per day will consist of self-service facilities providing residents with access to a limited supply of books available for lending and drop off. The book stock will be planned and managed by the Lambeth Library Service on a rotational basis, reflecting local needs, culture and community languages.
- 2.3 The Cabinet report also recommended the transformation of the site into a healthy living centre managed by Greenwich Leisure Limited (GLL), which would provide a gym. To ensure that the building continues to be widely available for community use it will also provide:
- Free Wi-Fi access
 - Computers
 - Study space
 - Hireable space for community groups and small enterprises (where space permits).
- 2.4 In March 2016, the library service was decommissioned and the building closed pending submission of a planning application/decision on the development of a healthy living centre and a decision on the asset transfer requests received under the Council's asset transfer policy.
- 2.5 In addition the building contains three residential flats. The asset transfer policy excludes housing. Separate discussions have taken place with the leaseholders regarding the terms of their lease and the impact of a change of use for the building.
- 2.6 On 31st March 2017 the Strategic Director for Neighbourhoods and Growth wrote to both organisations setting out further details of the proposed form of transfer including the relationship with GLL.

3. Process

- 3.1 In March 2017 the Council undertook to set up a panel with the purpose of undertaking an assessment of the two asset transfer requests received for Carnegie Library under the Council's Enabling Asset Transfer Policy. The panel's role was to make a recommendation as to which, if either, of the organisations, the Council should enter into formal discussions. The panel met three times, once to review background documentation and twice to conduct interviews with the two bidding organisations. The interviews took place on 10th April with Carnegie Library Association and on 25th April with Carnegie Herne Hill Community Trust.
- 3.2 The panel was made up of four people:

Helen Charlesworth-May	-	Chair
Andrew Ramsden	-	Accountant
Bruce McRobie /David Gobel	-	Technical
Eddie Bridgeman	-	Independent member: Meanwhile Space

The panel deliberations consisted of a panel pre-meet followed by presentations by the bidders followed by a series of questions by panel members and concluded with a private discussion between panel members.

3.3 The panel had three options they could recommend:

Identify a preferred bidder: work with the preferred bidder to deliver a credible offer based on the gym located on the basement

Joint bid: Ask both bidders to work together to develop a joint bid and present a revised proposal.

Reject both bids: Advise both organisations that their proposal requires further work.

4. PWC Assessment

4.1 As noted in 1.2 PWC were commissioned to undertake assessments of the two bids. These found that neither organisation had satisfactorily met the criteria in all elements of the bid. This is summarised below.

	The Organisation	The Idea	The Cooperative
Carnegie Library Association	A	A	G
Carnegie Herne Hill Community Trust CIO	G	A	A

4.2 Although there was no differential weighting given to the three areas for consideration there was a distinct difference in the findings as they related to the assessment of the organisation and the ability of the two organisations to articulate the necessary planning expertise to deliver the project, the mechanism by which the organisation would know whether the project was operating satisfactorily and the risks associated with the project.

4.3 The finding in relation to the Carnegie Library Association was:

The level of expertise of the trustees should be considered to transform the Library into a self-sustaining business with the ability and experience required to cater for the future repairs and refurbishment that will be required.

Specifically the issues raised were the lack of milestones and dependencies relevant to the business plan, a limited number and range of KPIs and a critical assessment of the risks and their interdependency in delivering a successful service and project. However, the assessment of the engagement with the community was good, founded on a range of surveys.

4.4 The finding in relation to Carnegie Herne Hill Community Trust CIO was that organisation proposals were good. The plans clearly set out key workstreams for the period leading up to the asset transfer, the key milestones, the dependencies that will impact on the business plan

and the associated risks. The plan also sets out detailed KPIs. In addition the assessment says that:

The skills of the Board appear to have been assessed in great detail and relevant ownership of activities appointed as appropriate. There is a clear governance structure and willingness to seek further expertise should this be required.

The assessment for community engagement was that the group demonstrated local engagement and included an ongoing marketing and communications strategy, however, the specific evidence of engagement was not included in the business plan.

- 4.5 The main area of difference between the two plans rested on the long-term plan for the building. As part of the PWC assessment both sets of plans were rated amber, however, there is a significant difference in ambition between the two groups for the building. The Carnegie Library Association is seeking primarily to ensure the continuation of a library service and community space akin to that in place before the closure. The Carnegie Herne Hill Community Trust CIO is seeking to undertake a heritage development project of up to £5m. Although, there is no commitment by any funder to-date to such a project it demonstrates a significant degree of ambition.
- 4.6 The assessment of the panel broadly reflected the PWC assessment. This was primarily due to the very different expectations of the two bids in relation to the long-term capital investment and use of the building. The Carnegie Library Association demonstrated good community engagement, its representatives were optimistic and were keen to run a library, however, there were questions about the realism of the estimates for business and volunteer activity. The panel thought the group could probably run the building, however there was a need for a proper transitional plan for the first twelve months and there was a question as to whether or not the proposal was sustainable after the first year. Critically there was a view that the proposal did not maximise the benefit and value of the building.
- 4.7 The Carnegie Herne Hill Community Trust CIO had a clear vision about maximising the benefit and value of the building and using the asset to deliver community benefit. The organisation also had a good set of plans for the governance of the organisation and running of the building and a clear understanding of the urgency of ensuring a library service was set up quickly. They articulated that there were two distinct workstreams requiring different approaches. However, there is a gap in their financial costs related to expectations of income from the basement. Finally whilst the panel were content that the group would be able to build on current community engagement, some work would need to be done in re-building relationships with the Council.

5 Conclusion

- 5.1 The panel felt that the two bids were so very different they were not directly comparable. It was also the case that neither bid fully met the criteria set for assessment and both had weaknesses that would need to be addressed either through direct support from the Council to revise business plans and budgets or through support to deliver implementation of the programme of activity, especially in respect of setting up the library within the very short term. The panel members were concerned about both parties' ability to sustain their plans over the medium term in context of maintaining the active involvement the individuals running both

organisations, generating the necessary number of volunteers, generating sufficient income to ensure the long term delivery of services and ensure the best use and maintenance of the building, which is a significant community asset.