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**REPORT FOR: CABINET**

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<b>Date of Meeting:</b>	15 November 2018
<b>Subject:</b>	New Harrow Town Centre Library
<b>Key Decision:</b>	Yes (award of contracts in excess of £500,000)
<b>Responsible Officer:</b>	Paul Walker, Corporate Director - Community
<b>Portfolio Holder:</b>	Councillor Keith Ferry, Deputy Leader of the Council and Portfolio Holder, Regeneration, Planning and Employment
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	Yes
<b>Wards affected:</b>	All
<b>Enclosures:</b>	Appendix 1: Equalities Impact Assessment

## **Section 1 – Summary and Recommendations**

In January 2016, Harrow Council entered into a Section 106 Agreement with Hyde Housing relating to the land at 51 College Road. The Agreement (amongst other things) required the provision of library facilities to shell and core under the CIL Infrastructure Payment Agreement.

This report seeks Cabinet approval to proceed with the procurement of a contractor to complete the fit out of Greenhill Library at Harrow Square, 51 College Road to replace the existing Gayton Library.

## **Recommendations:**

Cabinet is requested to:

1. Grant approval for the Head of Economic Development and Research, following consultation with the Head of Procurement, to undertake a procurement process for the selection of supplier(s) to deliver the fit out of the new Greenhill Library as part of the development at Harrow Square, 51 College Road, to replace the existing Gayton Library.
2. Delegate authority to award and arrange the execution of contracts with the successful tenderer(s) appointed through the procurement process to the Corporate Director of Community, following consultation with the Portfolio Holder, Deputy Leader of the Council, Regeneration, Planning and Employment, and the Portfolio Holder for Finance and Resources.

### **Reason: (for recommendations)**

Due to the estimated value of the project, Cabinet authorisation is required to comply with the Council's Contract Procedure Rules.

## **Section 2 – Report**

### **1. Introduction**

1.1 The Council's Capital Programme for Environment and Culture in 2018/19 and 2019/20 includes a total of £1.8m for the fit out of a new Town Centre Library at Harrow Square, 51 College Road, to replace the existing Gayton Library in the Town Centre.

1.2 Cabinet approval is required to begin the process of procuring contractors for all projects with an estimated value in excess of £500k.

1.3 The new Town Centre Library supports the Council's priorities to make a difference for communities and make a difference for families. The new library also supports the Harrow Ambition Plan to 'Build a Better Harrow' and in particular to provide 'a good cultural, leisure and night-life offer that is celebrated and well use.

### **2. Background**

2.1 Gayton Library, Harrow's Central Library, moved from Gayton Road to its current location at Garden House, 5 St. John's Road in January 2008. It was intended that a new library would be built on the Gayton Road site as part of a residential development. The library has remained at Garden House as the proposed development incorporating the new library did not proceed.

2.2 The Council's Library Strategy, 2015-2018 which was approved by Cabinet in March 2015 included in the Action Plan the action to pro-actively seek opportunities and then develop and implement plans for a new Town Centre Library as part of a mixed development. Provision of the library at 51 College Road also reflected the Corporate Plan (2016), and the Wealdstone Area Action Plan (2013)

2.3 Harrow Square at 51 College Road is a new development that will deliver 318 homes plus retail units surrounding a public square. Harrow Council entered into a Community Infrastructure Levy (CIL) In-kind Infrastructure Agreement on the 4<sup>th</sup> August 2016 with the developer, 51 College Road LLP (a joint venture between Hyde and Barratt) securing an obligation for the developer to build the shell and core of a new library as part of the development instead of a cash CIL payment due to Harrow under the terms of the Section 106 (S106) Agreement which was entered into as a condition of the grant of planning permission. The fit out of the library is the responsibility of the Council.

2.4 Following completion of the library, the Council will enter into a lease with 51 College Road LLP for 999 years of the library which includes a library garden and library pavilion. The Council also has the right to use 17 cycle spaces and 3 car parking spaces.

### 3. Options considered

3.1 The following options are offered for Cabinet consideration:

**Option A: Do nothing and do not proceed with the procurement of a contractor(s) and enter into a contract with a supplier(s) secured through the procurement process.** This would result in the fit out of the shell and core, which is being provided by the developer as part of the Section 106 Agreement not being adhered to and the loss of CIL contribution relating to the 51 College Road site. An alternative location for Gayton Library would need to be found on the expiry of the current lease on 25<sup>th</sup> March 2020. It will not be possible to extend the lease beyond this date.

This option is not recommended

**Option B: To proceed with the procurement of a contractor(s) and delegate authority to the Corporate Director to enter into a contract with a supplier(s) secured through the procurement** The completion of the fit out will result in a modern purpose built library in a very central location in the Town Centre. The new library will have 999 year lease at a peppercorn rent compared to the commercial rent for the current Gayton Library.

This option is recommended

### 4. Current Situation

4.1 The lease on the current Gayton Library will end on the 25th March 2020. It will not be possible to extend the lease beyond this date as the landlord wishes to redevelop the site.

4.2 The development of the new library site at Harrow Square, 51 College Road is progressing. The library will be located on the ground and mezzanine levels of Block B with private residential apartments above. The shell and core of the library is due to be handed over to the Council in April 2019. The library will have a gross internal area of 1400 sqm to include a ground floor and mezzanine floor. This will be complemented by a discrete garden and library pavilion area accessible only from the library. The library garden will be 160 sqm and the library pavilion will have a gross internal area of 190 sqm. The new Town Centre Library is scheduled to open to the public by January 2020.

4.3 The landmark development at Harrow Square will enable the Borough to have a new flagship Town Centre Library. The new library will be Harrow's central hub for knowledge, reading, learning, and research, located right in the heart of Harrow Town Centre. It will be a central information point to promote visitor attractions and 'What's On' in Harrow. The library will become a leisure destination for Greenhill residents, as well as those working in and visiting the Metropolitan Town Centre. Harrow Town Centre is undergoing enormous population growth by 40% and the library will be a vital part of the leisure and cultural infrastructure. The library will provide a vibrant flexible space with the

latest facilities enabling a wide range of community events and activities. There will be exhibition areas, flexible community learning and study spaces, free access public computers and Wi-Fi, as well as the Borough's largest collection of books and audio visual items for loan. The library will include a garden for relaxation, and a pavilion where space could be hired for family and adult learning, skills development, work and meetings.

4.4 Additional funding is being sought above the total budget of £1.8m currently allocated for the project to accommodate the move of the library to the new site from the current Gayton Library, mechanical and engineering works, and equipment.

## **5. Staffing/Workforce**

5.1 The current workforce of approximately 35 staff at Gayton Library would relocate to the new library including frontline library staff and the Home Library Service. Due to the specific requirements of the service, it is proposed that the Schools Library Service will transfer to Stanmore Library from Gayton Library.

## **6. Performance Issues**

6.1 In 2017-18, Gayton Library received 217,800 visits. It is expected that the new purpose-built library in a central Town Centre location will increase library visits to a minimum of 250,000 visits per annum.

## **7. Environmental Implications**

7.1 It is anticipated that the new Town Centre Library will contribute to the Council's objectives regarding environmental sustainability by reducing energy consumption.

## **8. Risk Management Implications**

Risk included on Directorate risk register? No

Separate risk register in place? Yes

The main risks identified for the proposals contained within this report are:

- a) The overall estimated project costs exceed the budget allocation.

A business case has been developed requesting any additional costs to be met from the Council's Community Infrastructure Levy (CIL). If this is unsuccessful, a review of the fit out to be undertaken will be undertaken to ensure that the project is delivered within budget.

- b) Delays in procurement at the design and fit out stages causes delays to the project.

The procurement process will be started at an early stage in the project with the most appropriate procurement approach being identified.

- c) A rise in construction costs increases the cost of the fit out.

The construction costs will be regularly monitored throughout the project. A review of the fit out of the library to be undertaken would be completed to mitigate any increase in construction costs.

## 9. Procurement Implications

9.1 The project will result in 3 separate procurements.

**Design** to RIBA Stage 3 – This requirement has been awarded to Ayers Associates by way of direct award. This Architect was selected as they are an approved supplier on the Council's Professional Services Framework procured in 2017 and capable of delivering the requirements. The value of the contract is £95k.

**Works** from RIBA Stage 4 to completion – This requirement will follow an open procurement procedure and will be advertised on the London tenders portal. The price quality split will be 30%/70%. The estimated value of this work is expected to range from £1.3m - £1.8m depending on available funding.

**ICT Network and Equipment** – This is to be procured under the existing contract with the Library's ICT network provider. The value of this requirement is estimated at £200k.

## 10. Legal Implications

10.1 The Public Libraries and Museums Act 1964 makes it the duty of every library authority to provide a "comprehensive and efficient library service for all persons desiring to make use thereof". The proposals in this report would support this by providing a modern library in a very central location that will provide facilities to meet the needs of library customers now and in the future.

10.2 The Council's Contract Procedure Rules provides that a Cabinet report is required for all procurement over £500,000 or where the procurement is defined as a Key Decision. Although it is possible that a contract might be entered into under £500,000, officers are satisfied that the package of contracts should be treated a Key Decision and subject to the officer delegations as set out in the Recommendations to this report if approved by Cabinet. It is noted that all Cabinet reports must be approved by the Strategic Procurement Board as part of their journey to Cabinet approval.

10.3 The procurement of each contract or any package of works, services and goods contracts must comply with the Public Contracts Regulations 2015

if above the relevant thresholds. Typically this will entail publishing a contract notice in OJEU to start a procurement competition or to use an EU compliant framework.

10.4 In considering the Council's requirements arising from the package of works, services and goods the Council must comply with its equalities duties and social value duties under the Equalities Act and Social Value Act.

## **11. Financial Implications**

11.1 The developer 51 College Road LLP is responsible for providing the shell and core of the new library under the terms of a Community Infrastructure Levy (CIL) In-kind Infrastructure Agreement with the Council. The fit out of the library will be completed by the Council using its own funding resource.

11.2 There is a total budget of £1.8m currently allocated in the Council's Capital Programme 2018/19 and 2019/20. A recent review of construction costs indicated that the project might result in a higher cost than originally anticipated, however the final costs will not be confirmed until the procurement process is completed. A capital bid has been submitted as part of the 19/20 budget process to secure additional funding for the project, which is subject to a separate approval. Any approved additional funding will only be allocated to the project should it be required. The procurement gateway report will inform the outcome of the procurement exercise and confirm the sources of funding to meet the full costs of the project.

11.3 The lease arrangements for the current Gayton Library includes a rent payment of £210k per annum. The new library will have 999 year lease at a peppercorn rent. The rent saving has been included in the current MTFS (saving profiled to 2020-21, which assumes the new library will be fully operational from April 2020). At this stage, it is anticipated that the running costs of the new library will be at a similar level as those in the current library, therefore no net cost impact on the revenue budget.

## **12. Equalities implications / Public Sector Equality Duty**

An Equalities Impact Assessment (EqIA) has been conducted (Appendix A). The proposed new library will have a positive impact on all protected characteristics as the new library will be a purpose built library in a very central location in Harrow Town Centre. The new library will be able to include additional facilities for customers to meet customer needs. This will include enhanced disabled access toilets.

## **13. Council Priorities**

The proposed new Greenhill Library supports the following Council corporate priorities by providing a modern very centrally located library in Harrow Town Centre, that will be able to meet current and future customer needs:

- Making a difference for communities
- Making a difference for families

The new library also supports the Harrow Ambition Plan to 'Build a Better Harrow' and in particular to provide 'a good cultural, leisure and night-life offer that is celebrated and well use.

### Section 3 - Statutory Officer Clearance

Name: ...Jessie Man .....	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: .....27/09/18.....		
Name: .....Clinton Bensusan.....	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: .....19/09/18.....		

### Section 3 - Procurement Officer Clearance

Name: ..... Jessica Covey.....	<input checked="" type="checkbox"/>	on behalf of the Head of Procurement
Date: .....28.09.18.....		

<b>Ward Councillors notified:</b>	<b>NO, as it impacts on all Wards</b>
<b>EqIA carried out:</b>	<b>YES</b>
<b>EqIA cleared by:</b>	Dave Corby



## **Section 4 - Contact Details and Background Papers**

**Contact:** Tim Bryan, Service Manager – Libraries, Sport and Leisure. Tel. 020 8416 8639, Email: [tim.bryan@harrow.gov.uk](mailto:tim.bryan@harrow.gov.uk)

### **Background Papers**

Cabinet Report and decision Library Strategy, 2015-2018, 19<sup>th</sup> March 2015

<http://www.harrow.gov.uk/www2/ieListDocuments.aspx?CId=249&MId=62361>

**Call-In Waived by the  
Chair of Overview and  
Scrutiny Committee**

**NO – CALL IN APPLIES**