

## Full Business Case and Options Appraisal

Programme/Project/Service Redesign Information	
Programme/Project/Service Redesign Name	Hove Cultural Centre
Directorate/Service	Neighbourhoods, Communities and Housing
Full Business Case Author (Name and job title)	Kim Bowler, Project Manager Sally McMahon, Head of Libraries and Information Services
Date Full Business Case drafted	Version Final (6 June 2016)
Senior Responsible Owner/ Project Executive (Name and job title)	Nick Hibberd, Acting Director, Economy, Environment and Culture Executive Director, Neighbourhood, Communities and Housing
Programme or Project Manager (Name and job title)	Kim Bowler, Project Manager

### 1. Executive Summary & Recommendations

*Provide a summary of key points of the Business Case and recommendations for the governance group to consider*

This Business Case has been developed to evidence the value of the proposal for a Cultural Centre for Hove. It includes an options appraisal of the alternatives considered, and demonstrates why the preferred option, to develop a new Cultural Centre in Hove bringing together the Library and Museum services, has been recommended.

The options appraisal has been carried out in the context of reducing council revenue budgets and the need for the Library Service to make significant savings whilst maintaining a service that is as good as it can be within the resources available, and meets the statutory requirements and local community needs.

This Business Case brings together key information that will inform a report for Policy & Resources Committee on 9<sup>th</sup> June 2016 seeking approval to:

- Sell the Hove Library Building, currently the home of Hove Library, estimated value of £1.0million
- Sell Hollingbury Library, estimated value of £350,000
- Fund the £1,572,574 development costs from:
  - Capital receipts: £1,292,000
  - Asset Management fund: £222,863
  - Libraries revenue budget and planned maintenance budgets: £57,711

Following approval, the project will need to go through the formal planning process.

In terms of the disposal of the Hove Library building, the recommendation is to market the Hove Library building as widely as possible to attract the broadest possible interest, including consideration of community use, to achieve the best possible future use of the Hove Library building and Hollingbury Library.

### Objectives

*What will the programme or project achieve/what changes will it bring about?*

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The project will build a 250m<sup>2</sup> extension (current ground floor public space is 252m<sup>2</sup>) onto the back of Brooker Hall, the Hove Museum premises, in order to house both the library and museum service to create a Cultural Heritage Centre for Hove.

This Centre will provide a vibrant library and museum service at Brooker Hall that will:

- Benefit residents and future / current users,
- Expand what's on offer by enabling joint programming,
- Provide more efficient and resilient facilities within a reducing budget,
- Protect both services and better conserve library and museum collections
- Enable the deliver £336,634 of revenue savings in Hove Library services by 2018-19
- Reduce the future demands on maintenance budgets
- Improve the Brooker Hall property through significant maintenance and upgrading works

### 2. Background and context

*What events, policies, issues, risks or opportunities have prompted it?*

On 24<sup>th</sup> March 2016 the [Libraries Service Plan](#) was agreed at Full Council. Phase 2 of the Libraries Plan is to join together the Museum and Libraries services in Hove at the current museum site to create a new Cultural Centre for Hove.

As part of the Libraries Needs analysis a public consultation took place which included a survey that asked the question 'Do you agree or disagree with the proposal to combine Hove Library and Hove Museum in a newly extended building to create a new community/cultural centre for Hove?' The survey received 1,124 responses in total with the response to this question finding 57% strongly agree or agree to the proposal and 38% who disagree or strongly disagree.

The current Hove Library building was purpose built using an endowment of £10,000 from Andrew Hove Library, opening in 1908.

The annual cost of running Hove Library in its current location is disproportionately high compared to other libraries, with the annual expenditure for Hove being around a quarter of spend of all thirteen city libraries<sup>1</sup>. In addition a survey in 7<sup>th</sup> February 2014<sup>2</sup> identified £735,350 of repairs and maintenance works needed (breakdown in the Appendix). A review of the condition of the building has been carried out in May 2016 to look at the minimum repairs and maintenance that could be done (£301,125), and there has also been an independent review of the condition reports on both Hove Library and Hove Museum buildings.

Loans in Hove Library dropped by 16% over the last two years, only 9% of the catchment population currently use Hove Library, Hove Museum building is more central in the catchment area of users.

The key reasons that the Hove Library building is considered unsustainable are:

- It is not possible to maintain the library service in this building within the reduced resources available. Staffing costs are disproportionately high and the high maintenance costs only add to the problem.
- Hove library is difficult to staff as it has 6 separate public areas to supervise, across two public floors, with staff office and workroom space in the basement and inaccessible stores in the attic galleries.

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<sup>1</sup> Further detail can be found in the [Libraries Service Review and Needs Analysis 2015](#)

<sup>2</sup> Completed by Tony Steininger and Andrew Wilson of Brighton & Hove City Council Property & Design and supported by the M&E and Facilities Team. Project number J187

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- The building is Grade 2 Listed (inside and outside) so it is very difficult to make changes to update the way services are delivered – e.g. there is old and inflexible (and potentially dangerous) fixed wooden shelving around the walls.
- The internal space is inflexible and unsuited to delivering a modern public library service, making it difficult to provide the wide range of service people now expect from their public library, such as a café; fully accessible IT; meeting and community rooms; exhibition space and a shop to help boost income.
- The special heritage collections (e.g. Wolseley) are being housed in unsuitable environmental conditions, putting them at risk and making them inaccessible.

In 2003 there was a proposal to move the library to Hove Town Hall but this was rejected following pressure from the public and local campaigners. Hove Town Hall has been considered again as part of this options appraisal process, but is not as affordable or beneficial in terms of service delivery as the preferred option of a move to the museum building.

### *Which corporate principles and priorities (as outlined in the Corporate Plan) will it help deliver?*

Citizen focused – working with local residents to deliver programmes and activities relevant to the audience. The new location will enable us to continue to provide a service that is used by residents to access a wide range of council and public services, general information and the internet. There will be increased opportunities for community involvement in projects and activities.

Increasing equality – ensuring that there continues to be free provision of literature and ICT support to those who need it and providing specialist activities and groups for minority or disadvantaged groups.

Active citizenship - creating more varied opportunities for volunteering and community collaboration within a joined up service.

Economy, jobs & homes – promoting literacy and learning, to improve employment opportunities and ensure digital competency. Provide money support and other drop in and support for those who are more vulnerable or have specific needs. There is potential for social enterprise involvement such as providers of a café.

Children and young people – provide a joined up approach to curriculum programming, encouraging of learning and reading, improving literacy.

Community safety and resilience – encouraging community activity and active citizenship that will foster safe neighbourhoods.

Environmental sustainability – the extension will be better insulated and improve the overall Property Performance Review score. The Cultural Centre will provide a destination point for Hove that may increase tourist footfall in the surrounding area.

### *What other programmes, projects or services does it link to?*

This project is part of the Libraries Modernisation Programme which needs to save £1.34 million annual revenue expenditure over the next four years.

Under the Royal Pavilion and Museums modernisation programme, a procurement process is planned to consider alternative delivery models for the Royal Pavilion and Museums Service. The shared service location of Hove Library and Museums could have implications for this.

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The Community Collaboration Programme will suggest improved ways of working with partners, citizens and businesses to ensure community participation in the development and delivery of City objectives. The Cultural Centre should be able to utilise this model to ensure that local requirements are met and volunteering opportunities respond to community need.

3. Options Appraisal

	Option 1	Option 2	Option 3	Option 4	Option 5
Description of the Option	<b>Do nothing i.e. make no savings in Library Services</b>	<b>Keep Hove Library as it is i.e. find savings elsewhere in Libraries</b>	<b>Move to Hove Town Hall second floor &amp; sell Hove Library building</b>	<b>Move to Hove Museum &amp; sell Hove Library building</b>	<b>Reduce Hove Library to first floor of Hove Library building and let ground floor for community/ commercial use</b>
<b>Key changes</b>	<p>No change to Libraries Services However, savings would need to be found in other council services. Estimated savings needed to be passed onto other services is £336,634 If some staff savings made and book fund reduced, this can be reduced to approx. £170,000</p>	<p>Potentially need to close 5-7 community Libraries, as savings of £189,114 would be needed (only £147,529 could be delivered at Hove). Savings from Jubilee PFI are already included in Libraries Plan. Equal Access service may need to be re-housed leading to additional costs.</p>	<p>Move to second floor of Hove Town Hall. Access is via stairs or one lift, with entrance door at back of the building. The Hove Library building would be sold.</p>	<p>Build new 250m<sup>2</sup> extension to Hove to Hove Museum, and co-locating the library with the museum. Combine resources to provide cultural experiences beyond the traditional ways of browsing and learning. Develop the co-creation model, working with communities, families and children to ensure the service meets local need. Bring together heritage collections and develop intergenerational exhibitions and displays that appeal across age groups. Develop the existing café, garden and shops to increase income generation opportunities. The Hove Library building will be sold. The option provides a solution to avoiding high maintenance costs and reducing revenue costs, creating resilience for both library and museum services.</p>	<p>Let out the ground floor of the Hove Library building to bring in income. Reduce the library service to the first floor of the Hove Library building</p>

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<b>Project Timing</b>	N/A	Estimated at one year to market, sell and manage closures	Hove Town Hall will be ready to move into from Sept 2016. Move estimated at two months	Following planning permission, build estimated at ten months. Move estimated at two months	Library changes est. at two months. Time to market and let space estimated at two to six months.
<b>Size of library</b>	618m <sup>2</sup> public space	618m <sup>2</sup> public space	Estimated 570m <sup>2</sup> public space. 620m <sup>2</sup> all space	Museum ground floor 520m <sup>2</sup> public space (extension is 250m <sup>2</sup> ). Additional space on first floor for special collections storage and use, plus staff space on ground and second floors	347m <sup>2</sup> public space on first floor Staff space in basement and storage in attic
<b>Accessibility</b>	Location is near bus stop Location is near Tesco car park. Only platform lift available so not easy to operate for some people as need to hold down button for duration of travel.	Reduced accessibility for people in 5-7 locations where community libraries would close.	Location is very accessible by bus. Car park opposite location. Would be problems if large groups arriving for activities such as baby boogie with buggies etc. Lack of visibility would discourage use.	Hove Museum is fully accessible having had a full lift installed in last refurbishment, and with disabled access, toilets and parking. All standard library services will be on the ground floor, with only special collections on the first floor. There are two bus routes and on-street parking (metered). Bus stop is a short walk away.	Location is near bus stop Location is near Tesco car park. Only platform lift available so not easy to operate for some as need to hold down button.
<b>Relevance of location</b>	Library remains off-centre of current library user core catchment area	Library remains off-centre of current library user core catchment area	Library would be further from core catchment area.	Location is closer to core catchment area. Combining library and museum service would mean museum users would be encouraged and would find it easier to visit the library and visa-versa	Library remains off-centre of current library user core catchment area

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<p><b>Size of stock</b></p>	<p>No change</p>	<p>Stock would reduce only slightly at Hove Library as the loss of so many community libraries would generate a need to maintain stock levels in Hove as less buildings around the city to house books. £55,125 reduction in book fund for Hove Library</p>	<p>Stock will be reduced to reflect changing borrower habits, move towards more electronic resources and to be in line with other similar library services book fund spending. Reduction of £100,100 in book fund for Hove Library</p>	<p>Stock will be reduced to reflect changing borrower habits, move towards more electronic resources and to be in line with other similar library services book fund spending. Reduction of £100,100 in book fund for Hove Library</p>	<p>Stock will be reduced to reflect changing borrower habits, move towards more electronic resources and to be in line with other similar library services book fund spending. Reduction of £100,100 in book fund</p>
<p><b>Benefits / dis-benefits for Libraries</b></p>	<p>Hove Library building is retained as the library site for Hove.</p>	<p>Hove Library building is retained as the library site for Hove. Around half the community libraries in the city would need to close to deliver necessary savings, reducing access for half the city population, especially children and young people who are less able to travel to other locations. Highly likely that this level of closures would not meet statutory duty.</p>	<p>One public space all on one level so easier to monitor and service. Close to services to which library refers people such as CAB etc. Removes need to find high maintenance costs for Hove Library. Accessibility is the key dis-benefit, plus move away from core catchment area. Hove Library building is sold. Small reduction in public space.</p>	<p>Creates an important community resource; potential to attract new library members from museum visitors; opportunity to create a broader cultural offer such as adult education, talks, and workshops; catalyst for new projects attracting funding to broaden the arts and cultural experiences available in Hove; development of new facilities such as a cafe, shop and garden; dedicated research space for those consulting the special collections; bringing together heritage collections of libraries with those of museums; shared running costs with museums; removes need to find high maintenance costs for Hove Library of estimated £735,350 over five years (maximum), minimum shorter term repair specification of £301,125. Hove Library building is sold. Small reduction in public space.</p>	<p>Space is small so the library offer would be reduced. Access is poor (just a platform lift), which would discourage use. Lack of visibility on first floor. Income from rents unlikely to be sufficient to cover savings required. Would still have building maintenance issues to fund.</p>

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<p><b>Benefits / dis-benefits for other services</b></p>	<p>Budget savings will still need to be found and other services would be put at risk. Hove Museum does not benefit from the upgrading that would come with the move of libraries into the building.</p>	<p>Where libraries that would close are co-located with other services (most of them are), there would be a financial and service impact on these services. These include: Children's Centres (2), schools (2), GP surgery, museum and art gallery, community centre (3); supported housing.</p>	<p>Second floor location will reduce access and use, particularly those who most need library services. Further away from core catchment area.</p>	<p>Benefits to Hove Museum include; increased visitor numbers; increased income opportunities; increased resilience; maintenance and repair to building completed; new purpose build hanging exhibition space on ground floor; new affordable café facilities; new outside designed for events and activities; opportunity to create new and imaginative offer to local people in partnership with Libraries; joint programming of events; shared running costs with Libraries.</p>	<p>Less opportunity to work with other services with library in such confined space.</p>
<p><b>Planning issues</b></p>	<p>None</p>	<p>None</p>	<p>None</p>	<p>Planning advice from the Conservation Officers has been sought and has influenced the development proposals. The re-provision of the library services means that there is no requirement to retain all or part of the Hove Library for community use. Planning priority would be to ensure that there is a long term viable use for the retention and maintenance of listed building.</p>	<p>Change of use for the ground floor unlikely to be satisfactory to planning as there is a loss of library service provision.</p>
<p><b>Risks</b></p>	<p>Key risk is that other services not able to cover the savings and so Libraries ultimately has to find them which leads to option 2 scenario.</p>	<p>Reduction in number of community libraries results in many residents unable to access library services and use declines. Highly likely that service does not reach statutory requirements.</p>	<p>Reduction in use due to reduced accessibility. Limited opportunity for income generation.</p>	<p>Capital receipt from sale of Hove Library might not achieve funds needed, especially if whole of building is for community use New cultural centre might not meet customer expectations. Transfer of museums to Trust might cause complications in developing joint working.</p>	<p>Rental costs may be high and unattractive Building use may impact on library opening hours Maintenance and running costs could increase.</p>

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<b>Revenue Savings</b>	None	£69,296 reduction in Hove staff £30,100 reduction in Hove book fund Remaining £237,238 would need to be found from closing libraries.	Although the Library Service could still deliver the £336,634 savings, the loss of rental income from this space would mean a reduction in Workstyles revenue savings of anywhere between £40k and £121k depending on the capital receipt for the Hove Library building.	£336,634 estimated revenue savings if estimated capital receipt achieved. This includes savings that can also be delivered in other options (e.g. book fund savings, and some of staff savings) The lower the capital receipt the more difficult it is to achieve the library revenue savings as the cost of borrowing for all of the development cannot be met by Libraries. Would have to either close other libraries or secure other capital funding	Est. £250k libraries savings possible. But est. income from ground floor (£50k - £60k or less if community use) would be off-set by reduction in library income, which would be inhibited by the smaller space.
<b>Capital Receipts</b>	None	Sale of Community Libraries	From Nil to estimated £1 million, depending on disposal of Hove Library building	Estimated £800,000 to £1,000,000 if commercial / residential use This would be reduced if community use, and could be nearer to nil if whole building is taken on for community use	None
<b>Capital Costs</b>	None	None	None	£1,427,124 building and upgrading costs	
<b>Revenue Costs</b>	Costs may increase over time if further maintenance and restoration work is identified	Costs may increase over time if further maintenance and restoration work is identified	Estimated £145,450 for IT, furniture, equipment and removals	Estimated £145,450 for IT, furniture, equipment and removals	Not estimated as reduced space for library services makes this option unattractive

### Options appraisal (cont.)

A further two options have been considered at a late stage at the request of Members.

#### **Option 6: 'Could the Libraries Extra programme have delivered savings in the Hove Library building?'**

Libraries Extra is not suitable for a large multi-roomed, multi floored, library like Hove Library for three main reasons: safety of library users, level of service provision, and cost.

The most important concern is for the health and safety of the library users. Libraries Extra operates with no staff. It is our assessment that the risks of operating Libraries Extra in a large multi-roomed library in this location would be very high and difficult to mitigate. There have been a number of incidents involving the public and as result the library always has at least one security guard on site throughout opening hours. Also the building itself has many hidden corners and blind spots making spotting and responding to incidents much more difficult. The move to the Hove Museum site gets around this problem as we would be able to share security resources with the Museums Service.

Hove Library provides a broader range of services than a community library, and these would be difficult to sustain if no staff were present, or even if they were present for only a few days a week as is the case with community libraries. Libraries Extra is not suitable for high use libraries, and this is reflected in the fact that the Libraries Plan proposes to increase the staffed days in the highest used community library (Patcham) to 5 days a week. It makes no sense to reduce Hove Library to fewer days of staffed delivery.

The cost of installing the necessary security and access equipment is estimated at £68,500 and the revenue costs are estimated at an extra £40,000 p.a. for the equipment. If this were implemented in Hove Library, there would need to be less of a reduction in staff, for the days the library was staffed, so this would further reduce the savings achieved. The reduction in staffing savings would be in the region of £74,000, so instead of achieving over £200,000 in staffing savings, this would be reduced to £128,000, and then reduced again to £88,000 to cover the increased revenue costs of the security and access equipment.

The shortfall in savings (estimated £125,000) would then need to be found from elsewhere, which is equivalent to an estimated four community libraries closing.

Added to this, the high cost of buildings maintenance and repair would remain.

#### **Option 7: 'Could Hove Museum be moved into Hove Library?'**

Currently Hove Museum has 272m<sup>2</sup> (approx.) of gallery space on the first floor, plus temporary exhibition space on the ground floor, with an education room for school visits, craft activities etc. There is also a café and outside garden space, and the Jaipur Gate in the grounds which forms part of the museum collection, donated to the museum in 1926. There are also significant storage and staff workshop spaces on the third floor.

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There would not be enough space to incorporate the Museum into the Library building without significantly reducing the collections of both services. Investigation of the basement voids is taking place. However, even if there is usable space there, it would not be big enough to house the museum galleries, using the ground floor level of the library as a guide to the potential space. The current staff space would need to be re-provided elsewhere in the building further reducing public library space.

It would be difficult and expensive to convert the library to accommodate the museum due to the layout of the building and listed building constraints. Even with reduced collections, the building would need to have staff spread over three public floors, which would increase the need for staffing, so the level of potential savings would be reduced. This arrangement would also still leave the council with the liability of the maintenance of the building.

The impact on the museum would be significant. The reduction in gallery and collection space would restrict the capacity of the museum to deliver services, and would threaten the viability of the service. Hove Museum would lose the possibility of showing temporary exhibitions: The space at Hove Museum is already not really fit for that purpose, but the space at Hove Library is either worse or non-existent. The museum would lose dedicated classroom space, which means losing or certainly reducing the schools programme, and would result in loss of an education service, the income, and the footfall. It would also prevent the museum developing its adult programmes and workshops.

Hove Museum and Art Gallery had a redevelopment completed in 2003 which primarily funded by Heritage Lottery Fund (HLF) and Arts Council England (ACE). There has also been further funding by ACE for projects at Hove Museum. It is possible that if the museum was closed and relocated that the funders would ask for a refund on their investment.

In terms of the Museum's site, the loss of this public open space is unlikely to be in line with the Open Space Strategy and planning policy, so the potential of the site is restricted.

### 4. Preferred Option

*Indicate which is the preferred option of those described*

#### OPTION 4: the preferred option

##### 1. Description of the option

*Describe the option that is being explored. Including any evidence base, this should include benchmarking data and needs analysis undertaken.*

The proposal is to build a ground floor one storey extension onto the back of the existing Hove Museum building. The library will move into these premises with the library and museum services being co-located. The proposal includes making changes to the way the service is delivered, such as more digital resources, increased self-service, and other modernisation changes.

A joint service offer would be provided that would aim to:

- To combine resources to provide cultural experiences beyond the traditional ways of browsing and learning
- Develop the co-creation model, working with communities, families and children to ensure the service meets local need and is supported locally

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- Bring together heritage collections and develop intergenerational exhibitions and displays that appeal across age groups
- Develop the existing café, garden and shops to increase income generation opportunities
- The Hove Library building will be sold.

The option provides a solution to avoiding high planned maintenance costs and reducing revenue costs, creating resilience for both library and museum services.

A further breakdown of finances is provided in Appendix 1.

### 2. Is this the preferred option?

*Yes or no and a brief explanation why.*

Yes option 4 is the preferred option. For reasons outlined in section 2 objectives and section 3 background and context above.

### 3. Cashable benefits

*What are the anticipated financial savings from the programme or project? Profile the savings over the lifetime of the programme or project.*

	<b>Year 1 2016/17</b>	<b>Year 2 2017/18</b>	<b>Year 3 2018/19</b>	<b>Total</b>
<i>Property maintenance (libraries budget)</i>			£8,511	<b>£8,511</b>
<i>Employees (libraries budget)</i>	£69,296	£23,099	£110,005	<b>£202,400</b>
<i>Supplies &amp; Services (libraries budget)</i>	£30,100 Book fund	£25,025 Book fund	£47,305 (of which £44,975 is book fund)	<b>£102,430</b> (£100,100 is book fund)
<i>Property running costs (Corporate Landlord )</i>			£23,293	<b>£23,293</b>
<b>Total</b>	<b>£99,396</b>	<b>£48,124</b>	<b>£189,114</b>	<b>£336,634</b>
Total directly linked to relocation			£189,114	£189,114
Total related to changes in the way services are delivered	£99,396	£48,124		

NB: Definition of what each heading covers:

- Property costs include: heating, lighting, water, rates, cleaning, waste disposal, fire and intruder alarms etc
- Employee costs covers full salaries costs, training and development
- Supplies and Services covers almost all other costs such as ICT, telecoms, stationary and other supplies, books, newspapers, e-books, audio-visual resources, subscriptions and online services.

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- The bulk of the reduction in supplies and services costs is a result of the reduction in materials fund for books and other resources (£100k).

### Reasons for reducing the book fund:

The materials fund allocated to Hove has become disproportionate to the role Hove library has within the service. There has been a 16% reduction in loans and 15% drop in visits to Hove Library, which is half as much again as the average for the library service as a whole (10%). More materials fund is being gradually moved to digital resources which is not allocated to specific libraries as they are available to all regardless of location.

Looking historically, in 2003 Libraries spent £95,000 on stock for Hove and this has increased by 53% since then (higher than the rate of inflation), while at the same time, stock issues in Hove Library have dropped by 44% from 349,202 to 194,352 in 2014-15.

Looking comparatively to similar authorities, Brighton & Hove have the highest spend on library materials (books and other resources) within the CIPFA comparator group (£2,362 per 1,000 population, the average being £1,499). So there is clearly some room to reduce spending on books and other resources and for the service to still meet local needs.

The proposed reduction to Hove Library book fund is dependent on whether the move takes place, as if there is a need to close other service points to cover the reduction in savings, it might be necessary to maintain a bigger stock in Hove as people who have lost their local neighbourhood library would need to borrow from the Hove and Jubilee collections.

#### 4. Non-cashable benefits

*Every non-cashable benefit (or improvement) should be expressed in measurable terms, and the current situation understood and baselined before the programme or project is implemented. Include benefits from the perspective of the customer*

<b>Current situation</b>	<b>Benefit expected</b>	<b>Measured outcome that you hope to achieve</b>	<b>How will the benefit be measured?</b>
Separate services in separate buildings	Improved visitor experience through joint use of space	Increased attendance and repeat visits	Visitor numbers Visitor feedback
Activities and programmes are separate	Joined up programming that will provide activities across both services	Increased attendance at activities	Attendance numbers School visits Visitor feedback
Separate projects and funding bids	Increased opportunity for funding bids	Increased one off projects	Number of bids Income generated Number of projects

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			Community engagement in projects
£735k (maximum specification) to £301k (minimum specification) of maintenance needed for Hove Library Building *	Cost is not incurred	Other services do not need to find additional savings	Cost is avoided
£439k (maximum specification) to £80k (minimum specification) of maintenance needed for the Hove museum building *	Large part of this maintenance will be covered by the development (223k)	Maintenance achieved	Costs of future repairs and maintenance shared

\*A review of the conditions surveys, indicating the range of costs from minimum to maximum specifications can be found in **Appendix 2**

### 5. Costs (capital and revenue)

*What are the capital and revenue costs of the programme or project? Profile these costs over the lifetime of the programme or project.*

	<b>Year 1 2016/17</b>	<b>Year 2 2017/18</b>	<b>Year 3 2018/19</b>	<b>Total</b>
<b>Capital costs</b>				
<i>Building costs</i>		£1,204,261		<b>£1,204,261</b>
<i>Compliance &amp; H&amp;S costs</i>		£222,863		<b>£222,863</b>
<i>Moving costs</i>		£142,450		<b>£142,450</b>
<i>Hove Library Security</i>		£3,000		<b>£3,000</b>
<b>Revenue costs</b>				
<b>Totals (per year) &amp; grand total</b>		<b>£1,572,574</b>		<b>£1,572,574</b>

*When will payback occur? What is the Return on Capital Employed?*

Payback on the capital investment will occur when the Hove Library and Hollingbury libraries are sold and the capital receipt is received. In addition to this, the revenue savings (see cashable benefits table no.3) of £336,634 being delivered by 2018/19.

The cost of building the extension and making the necessary changes to Hove Museum to accommodate the Library Service, plus the cost of the move is £1,349,711.

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There is an additional £222,863 needed to cover the costs of works required to the museum building to make it compliant with latest mechanical, electrical, fire and health and safety regulations, and to deal with related maintenance issues, and these works would need to be done regardless of the move of Hove Library into the building. Examples of the sort of work needed includes the replacement of air handling unit on the upper floor; replacement of the boiler and upgrading of gas, electricity and water services; upgrades to fire alarms and emergency lighting.

Specialist contractors have visited the building and estimate to provide more accurate assessments of the works needed to a greater level of detail than is normally achieved at this stage in a development project, providing a greater level of risk management over costs.

### 6. Funding

*Have the budgets to fund the programme or project been identified? Specify which budgets.*

Funding			
Capital receipts (less £58,000 to fund Hollingbury costs)	£1,292,000		
Asset Management Fund		£222,863	
Planned Maintenance Budgets and Libraries revenue budget.	£57,711		
<b>Total Funding</b>	<b>£1,349,711</b>	<b>£222,863</b>	<b>£1,572,574</b>

*Will the programme or project be in receipt of any funding? Profile the funding over the lifetime of the programme or project.*

	<b>Year 1 2016/17</b>	<b>Year 2 2017/18</b>	<b>Year 3 2018/19</b>	<b>Total</b>
<i>Funding</i>		£1,572,574		£1,572,574

*Please identify the funding source(s)*

See above, plus:

Additional funding will be sought from grant funding bodies such as Arts Council England. Some monies maybe available for one off projects and small enhancements e.g. funds for a community/schools project to decorate the hallway, but the Council will not be seeking any capital projects funding through this avenue.

### 7. Resources

*What staffing resources are required to deliver the programme or project?*

Service	Why are they required?	Quantify the requirement (fte)	When are they required?	Has the service been consulted and what did they say?	Are the staff available?
Operational staff	Form project		Ongoing	Additional	Yes

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	team Mange stock Pack items			staff have been added to costs	
Communications	Management of project opposition Promotion of new service Advice on joint coms management of service		Ongoing		
Finance	Monitor project finances	½ day a month	Ongoing	Yes	Yes
Human Resources & Organisational Development	Advice regarding new staffing roles and JDs	Minimal			
ICT	Fitting of new cables				
Internal Audit	None				
International Team (knowledge of funding opportunities)	Seek out possible funding opportunities				
Legal & Democratic Services	Contracts Planning				
Performance, Improvement & Programmes	Project Manager	0.4FTE (2 days per week)	Ongoing		
Policy, Communities & Equalities	Community engagement				
Procurement	Contractors				
Property & Design	Architects Management of works and contractors Property sales	1 FTE 2 days per week	Ongoing	Yes – Property & Design have produced the feasibility costings and initial design	Yes
Sustainability					

*Are any specialist skills required to deliver the programme or project (beyond those identified*

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above)? If so, how will these be acquired?

Specialist library designer costing less than £1,000 (used previously by library service) to provide support in placing library shelving to make best use of space and ensure an attractive layout that will encourage movement through the building.

### 8. Risks and opportunities

Assess the risks and opportunities associated with the programme or project by using the council's Risk Management Framework and risk register template. List the most significant risks in the table below and the initial mitigating actions.

<b>Risk description</b>	<b>Potential consequences</b>	<b>Mitigating controls and actions</b>	<b>Likelihood (1 = almost impossible 5 = almost certain)</b>	<b>Impact (1 = insignificant 5 = catastrophic / fantastic)</b>
Combined capital receipt from sale of libraries does not achieve £1.35 million	Capital receipt unable to cover the costs of development	<p>Will start marketing the properties immediately and widely to encourage interest from all sectors, as currently market is good</p> <p>Have looked carefully at values of properties</p> <p>Commercial agents views back up our values, made on the assumption of residential and commercial use of the Hove Library building, and residential development of the Hollingbury Library site</p> <p>Potential to borrow to cover shortfall as borrowing costs relatively low at this time</p> <p>Compliance costs being covered by Asset Management Funds creates a 'buffer' and means a stronger capability to cover shortfall by borrowing</p>	3	3
Construction costs are higher than expected	New works are discovered leading to delays and additional costs	<p>Contingency has been included in costs</p> <p>Property and design experts have been used to provide detailed costings at an early stage</p> <p>Surveys have been undertaken as early as possible</p> <p>External expert contractors have been/will be used where relevant</p> <p>Finance officer engaged to</p>	3	3

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		monitor expenditure Additional funding streams identified to cover any shortfall		
Customer expectations exceed what can be delivered from the development	Visitor numbers fall Customer satisfaction is low Service is no longer viable	Public meetings and online consultation has taken place Information provided to public has been up-front and honest about limitations of the development Service will be developed using further stakeholder engagement including: local residents and community groups, museum and library members and local schools Both services hold extensive customer insight data that will be utilised to shape service offer in line with need Relationships to be developed with organisations providing similar to identify best practice	3	3
Museums moving to Trust status leads to difficulties in joint working	Space cannot be agreed Joint programming does not happen Joint funding opportunities not explored	Both services experienced in cross team and partnership working The Keep is example of three organisations working together on shared outcomes. Service managers already have a positive working relationship Project team is made up of staff from both services who are actively involved in planning and decision making Regular workshops to aid joint working Both services will significantly gain from working together Shared service priorities through the Council and under Arts Council England Shared interest in special collections and historic materials Service Level Agreement or similar to be utilised to clarify roles and responsibilities Joint business plan and key performance indicators will be	2	3

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		developed	
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### 9. Outline programme or project plan

*Indicate the timeline for the programme or project with key milestones, including when decisions are needed and by whom, and deliverables.*

Plan is attached in Appendix 2.

### 10. Stakeholder consultation

*List any consultations with stakeholders and the findings. Examples of stakeholders include citizens, staff, partner organisations, Members.*

Libraries and museums have been working together to develop the project vision and business case including; weekly project meetings, risk workshop, visioning activity.

Public consultation has taken place which has involved the Libraries consultation a public meetings in the Library and in the Museum. It was noted that questions and conversation has moved from why and what to how and when, suggesting an acceptance and support for this project.

Libraries online consultation found the majority favoured the proposal.

Members have been engaged by Senior Management from the Libraries and Museums services.

Media coverage from the Leader of the Council and other members has been supportive of this project proposal. Articles and quotes have been presented to the public that highlight exactly what is being suggested and why.

### 11. Equalities

*Has an Equalities Impact Assessment been conducted for the programme or project? Is one required? When will it be undertaken?*

An Equalities Impact Assessment has been undertaken using the Budget Setting Template, as part of the Libraries Plan, which was agreed in March 2016.

Potential impacts were identified due to reduction in stock which could impact on low income library members who may have to pay a charge for reserving stock at another library. Concessions will therefore be maintained for those on a low income.

Stock reductions will be informed by historical analysis of lending trends, it is known that lending has reduced by 16% over the last two years and so reductions reflect this.

It may be possible for improved accessibility to and within the building, and for this to be undertaken as part of the improvement works. 'Possability People' (previously known as the FED) and local people to be engaged in identifying accessibility improvements.

Further equalities impact assessment work with the Equalities Officer will continue to inform the proposals as they develop.

### 12. Sustainability

*What significant environmental impacts is the project likely to have?  
Are there any implications for the local economy and local communities?*

The new extension will meet current building regulations with regard to thermal efficiency, low

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energy lighting and water use.

The existing inefficient oil fired boilers in the museum will be replaced with efficient gas condensing boilers which will improve the energy performance for the whole building.

The contractor will be required to meet the Councils requirements to meet or exceed 95% of the construction waste being recycled.

### Authority to proceed

*This business case needs to be approved via the appropriate governance route before the programme or project can be implemented. Please complete the table below to confirm where this authority was obtained. Please ensure the agreement was minuted*

Meeting where authority to proceed was obtained	Date of meeting

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### APPENDIX 1 – Breakdown of finances

<i>Information in table 5 (Project Capital Costs)</i>			
Item	Cost arising from Libs development	Cost arising from compliance, H&S and maintenance issues for museum building	Totals
<b>Part 1 - Building Costs</b>			
<b>Build (Rev C)</b>			
New extension and alterations	£612,200		
mechanical and electrical services to existing building	£37,475	£73,700	
Additional items	£72,800	£40,250	
Site/infrastructure works	£75,200	£42,500	
	£797,675	£156,450	£954,125
Fees, surveys etc. @ 12%	£95,721	£18,774	£114,495
Prelims(17.5%) overheads (6.45%) design & devel(1.5%) conting(5%) (30.45%)	£242,892	£47,639	£290,531
Tender price inflation	£67,973		£67,973
<b>Totals</b>	<b>£1,204,261</b>	<b>£222,863</b>	<b>£1,427,124</b>
<b>Part 2 - Moving Costs</b>			
Libraries - removals	£7,000		
Libraries - additional library staff for packing/unpacking	£5,000		
Libraries - stock management and prep for move	£6,000		
Museums - costs of temporarily moving objects	£7,000		
Museums - additional museum staff for move period	£3,500		
Museums - Skip hire	£1,000		
New furniture and equipment	£100,000		
10% Contingency (on moving costs only)	£12,950		
	<b>£142,450</b>		<b>£142,450</b>
<b>Part 3 - Hove Library Security</b>			
Security for Hove Library when empty up to 6 months	<b>£3,000</b>		<b>£3,000</b>
<b>Total</b>	<b>£1,349,711</b>	<b>£222,863</b>	<b>£1,572,574</b>

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<b>Funding</b>			
Capital receipts (less £58,000 to fund Hollingbury costs)	£1,292,000		
Asset Management Fund		£222,863	
Planned Maintenance Budgets and Libraries revenue budget.	£57,711		
<b>Total Funding</b>	<b>£1,349,711</b>	<b>£222,863</b>	<b>£1,572,574</b>

### Revenue Budget Changes:

Item	Budget	Costs shown for a full year		Total permanent savings
		Current costs	Future costs following move	
Property	Libraries	£24,434	£15,923	£8,511
Employees	Libraries	£336,092	£133,692	£202,400
Supplies & services	Libraries	£157,430	£55,000	£102,430
Income	Libraries	-£42,158	-£42,158	£0
	<b>Total Libraries</b>	<b>£475,798</b>	<b>£162,457</b>	<b>£313,341</b>
Property	Property & Design	£44,721	£25,893	£18,828
Other				£4,465
<b>Total</b>		<b>£520,519</b>	<b>£188,350</b>	<b>£336,634</b>

### Appendix 2: Repairs and Maintenance Information

#### Hove Library

**Condition Survey** – The 2014 Hove Library condition survey was undertaken in response to a Client request as consideration was being given to the future of the Library service. The condition data was provided in a report dated 7<sup>th</sup> February 2014 to provide additional commentary of findings and recommended remedial works. The condition survey is found in full in appendix A with a tabulated summary of the recommended remedial works and estimated costs.

**Hove Library Roof** - When the original survey was undertaken two years ago it was noted that at some point, possibly around the 1970s, the roof (likely to have been originally slate clad) had been recovered in Redland 49 interlocking concrete tiles. This was a popular measure adopted on a number of buildings around this time and beyond. Conservation issues aside, the replacement of a slate roof covering with a heavier concrete tile can cause structural issues requiring additional timber supports within the roof structure. Over time as concrete tiles weather they become more water absorbent which can compound any weight problems possibly resulting in deflection to the ridge line and structural issues dependent upon the main supporting structure. Due to the condition of the weathered concrete tiles at the time of inspection in 2014, the Hove Library survey report recommended replacement within a three year period with slate which would be more in keeping with a grade 2 listed building within a designated conservation area at an estimated cost of £100k.

Recent correspondence has questioned whether the roof could be repaired or recovered in like for like concrete tiles as it can hardly be seen. Conservation Planning were approached and their response was;

*‘With all listed building repairs our advice is that as long as the existing item is not unauthorised, like-for-like replacement or patch repair does not need listed building consent (presumably the tiles pre-date the building’s listing in 1992). Like-for-like means exactly matching. Replacing non-original items with appropriate ones is welcome and will represent improvements the Listed Building, however, it will generally need listed building consent. If the replacement of the concrete tiles involved precautionary reinforcements to the roof structure listed building consent would be required due to the structural work. Our preference of course is for the reinstatement of original materials to details that are based on historic evidence, and this is what we encourage (to sustain or enhance the significance of the heritage asset in accordance with the National Planning Policy Framework), not only for aesthetic reasons but also because the existing replacement materials may be causing harm to the structure i.e. extra loading from concrete tiles, breathability from cement pointing, render etc.’*

Therefore localised repairing, and possibly even the recladding in like for like concrete tiles, are alternative options to recovering the roof in slate, although the latter is not one recommended. Adopting the former approach of repairs is a shorter term solution to reducing cost but would create an additional maintenance backlog need in future years. This option has been included in the minimum specification review. Hove Library was revisited on 11<sup>th</sup> May 2016 by the Building Surveyor who led on the original survey and a Senior Building Surveyor. This was to review current condition two years on from the survey and provide a

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review document to identify noted amendments plus, as requested, any possible reductions in the recommended remedial work to a more minimum specification. The review document is within Appendix B.

In summary, the 2014 report can be considered as approaching a maximum specification for building fabric planned maintenance and totals £735,350 including a 10% contingency sum but excluding professional fees. Minimum repair specifications options have been considered and these include more localised repairs to external elevations, concrete tiled roof, parapet copings, brickwork, leadwork, rainwater goods and internals. The 2014 report also included some betterment items for energy efficiency works and proactive asbestos removal. These have been omitted from the review document. The review document offers a reduced total minimum shorter term repair specification of £301,125 including a 10% contingency sum (excluding professional fees).

### Hove Museum

**Condition Survey** – As part of the council's rolling programme of condition surveys a building fabric condition survey of Hove Museum was undertaken on 4<sup>th</sup> February 2016. Data was collected using the same standard industry approach for assessing condition and priority and loaded into the format as seen for the council's new Asset Management software system Atrium. The condition survey is found in appendix C.

**Condition Survey Review** - The Museum has been revisited on 6<sup>th</sup> May 2016 by the Building Surveyor who undertook the February survey and the Building Surveyor who led on the Hove Library fabric survey. This was to review the survey's recommended remedial works and provide a document to identify a maximum specification for comparison with the original Hove Library report. The review document is within Appendix D

Note that a maximum M&E specification would be based upon anticipated upgrades/replacement of existing systems to enable services to be provided to the proposed extension. Should this not be required then the minimum specification of £20,000 should be sufficient for the 5-year period. Building fabric wise it was considered prudent within a five year period to include for full external repairs and redecoration to all elevations, asphalt roof replacement rather than localised repair, brickwork repointing to the tower and internals. In summary, the original report can be equated to a minimum specification totalling £72,700 and plus a 10% contingency = £79,970 (excluding professional fees). The maximum specification totals £398,800 and plus a 10% contingency = £438,680 (excluding 10% professional fees).

An independent review of the condition surveys of both Hove Library and Hove Museum has been carried out by an independent surveyor. This is an independent professional view and comment on the condition surveys, estimated costings done for both Hove Library and Hove Museum by the in-house building surveying team. It is a high level view commenting on the council's approach, findings and estimated costs.

# Appendix 3 – Project Timeline

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Project Plan:18/5/16		2015			2016												2017												2018						
ACTION/TASK	Lead	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY			
<b>Project Start Up</b>																																			
Initial Architectural & layout plans developed	NM																																		
Initial layout agreed	PM																																		
Initial project documents produced	KB																																		
External funding opportunities identified	JB																																		
Project budget agreed	PM																																		
Libraries Consultation ends	SM																																		
Reports for committee meeting/s written	SM																																		
<b>Permissions</b>																																			
Economic Development & Culture Committee	SM					10th																													
Full Council	SM					24th																													
P&R	SM						28th		9th							19th																			
6mths marketing of Carnegie	AD																																		
Planning Committee	SM																																		
<b>Consultation and Engagement</b>																																			
Gardens and external building (public)																																			
Staff (staff)																																			
Service requirements and layout																																			
<b>Plans</b>																																			
Architecture plans updated	NM																																		
Finalise documents for planning application	NM																																		
<b>Procurement</b>																																			
Identify contracts required (divide into lots)	SW																																		
Identify existing providers	SW																																		
Sign off contracts / complete plans	SW																																		
<b>Brooker Hall</b>																																			
Demolish current extension																																			
Build new extension																																			
Carry out additional works and decoration																																			
Move new furniture / shelves and stock into building																																			
Grand opening																																			
<b>Hove Library</b>																																			
Agree stock and furniture that will be moved to new site																																			
Dispose of old/excess stock																																			
Pack stock and furniture																																			
Building ready for sale																																			
<b>Hove Museum &amp; Art Gallery</b>																																			
Agree objects and furniture that will remain in building																																			
Clear out existing extension																																			
Dispose of unwanted furniture and items																																			
<b>Joint Business Planning</b>																																			
Service and premises management SLA																																			
Shared Team level Business Plan																																			
Staffing structure and JDs reviewed																																			

