


REPORT TO LAND AND ASSET MANAGEMENT COMMITTEE

07 March 2019

Subject:	The Future Use of Blackheath Library: Partnership Working with Black Country Housing Group.
Presenting Cabinet Member:	Councillor Syeda Khatun - Cabinet Member for Neighbourhoods and Communities.
Director:	Executive Director – Neighbourhoods Dr Alison Knight.
Contribution towards Vision 2030:	
Key Decision:	Yes
Forward Plan (28-day notice) Reference:	SMBC10/03/2019
Cabinet Member Approval and Date:	16 th January 2019
Director Approval:	6 th December 2018
Reason for Urgency:	Does not apply.
Exempt Information Ref:	Does not apply
Ward Councillor (s) Consulted (if applicable):	<p>Rowley Regis Town Lead: Cllr Susan Eaves Rowley Regis Deputy Town Lead: Cllr Julie Webb Rowley Regis Cabinet Town Leads: Cllr Ann Shackleton and Cllr Kerrie Carmichael Rowley Ward: Cllr Barbara Price, Cllr Susan Eaves, Cllr Chris Tranter Blackheath: Cllr Bob Price, Cllr Kerrie Carmichael, Cllr Danny Millard Tividale: Cllr Lorraine Ashman, Cllr Maria Crompton, Cllr Sandra Hevican Cradley Heath and Old Hill: Cllr Ann Shackleton, Cllr Caroline White, Cllr Julie Webb</p>

Scrutiny Consultation Considered?	Scrutiny has not been consulted.
Contact Officer(s):	<p>Paul Evans Asset Manager Paul_Evans @sandwell.gov.uk</p> <p>Rebecca Jenkins Service Improvement Rebecca_Jenkins@sandwell.gov.uk</p>

DECISION RECOMMENDATIONS

- (1) That, the Executive Director – Neighbourhoods and the Executive Director - Resources, in consultation with the Cabinet Member for Neighbourhoods and the Leader, be authorised to evaluate land valuations, necessary building surveys and a capital appraisal report in connection with proposals for the future use of Blackheath Library as a Local Service Centre for Rowley Regis;
- (2) that, subject to the satisfactory evaluation of land valuations, necessary building surveys and a capital appraisal report by the Executive Director – Neighbourhoods and the Executive Director - Resources, in consultation with the Cabinet Member for Neighbourhoods and the Leader, as referred to in (1) above, the Cabinet be recommended to:-
 - a) acquire the freehold interest in land at 145 High Street, Rowley Regis, B65 OEA (Blackheath Library), as shown on Plan SAM-24200-001 (Appendix 1) from Black Country Housing Group on terms to be agreed by the Director - Law and Governance and Monitoring Officer and the Director - Regeneration and Growth;
 - b) declare land at 402 High Street, West Bromwich (the site of former Shaftesbury House), identified on Plan SAM-24140-041 (Appendix 2) surplus to requirements;
 - c) declare the land and premises at Payne Street, Rowley Regis, identified on Plan SAM-37260-003 (Appendix 3) surplus to requirements;
 - d) declare the land at the junction of Meredith Street and Upper High Street, Cradley Heath, identified on Plan SAM-49700-002 (Appendix 4) surplus to requirements;
 - e) declare the land and premises at 106a Birmingham Road, Rowley Regis, identified on Plan SAM-05340-007 (Appendix 5) surplus requirements;
 - f) subject to b, c, d, e (above), authorise the Director – Law and Governance and Monitoring Officer to dispose of the freehold interest in the land shown in Plans SAM-24140-041 (Appendix 2),

SAM-37260-003 (Appendix 3), SAM-49700-002 (Appendix 4) and SAM-05340-007 (Appendix 5) to Black Country Housing Group on terms and conditions to be agreed by the Director - Regeneration and Growth;

- g) as part of the Transforming Local Services project, authorise the creation of a Local Services Centre at 145 High Street, Blackheath (Blackheath Library);
- h) subject to a and g (above) authorise the Director – Law and Governance and Monitoring Officer to enter into a lease with Black Country Housing Group for the second floor of 145 High Street, Blackheath (Blackheath Library), on terms and conditions to be agreed by Director - Regeneration and Growth;
- i) subject to a to h (above) authorises the Director – Law and Governance and Monitoring Officer to enter into a partnership agreement with Black Country Housing Group which will outline the timescale for the purchase of land at 145 High Street, Rowley Regis, B65 OEA (Blackheath Library), as shown on Plan SAM-24200-001 (Appendix 1) and the development of the sites referred to in b, d, d and e (above), shown in Plans SAM-24140-041 (Appendix 2), SAM-37260-003 (Appendix 3), SAM-49700-002 (Appendix 4) and SAM-05340-007 (Appendix 5) surplus requirements;
- j) subject to a, b, c, d, e, f and i (above) authorises the Director - Law and Governance and Monitoring Officer, to enter into or execute under seal if necessary, any other relevant documentation in relation to the execution of the above recommendations, on terms to be agreed by the Director - Regeneration and Growth.
- k) note that the Cabinet Member for Neighbourhoods and Communities will maintain oversight of the project;

1. PURPOSE OF THE REPORT

- 1.1. The purpose of this report is to seek authority to work in partnership with the Black Country Housing Group for the Council to acquire Blackheath Library at 145 High Street, Blackheath, B65 OEA.
- 1.2. The acquisition of the Library will be based on the Council selling four Council owned sites to Black Country Housing Group to at least the agreed value of the Blackheath Library.
- 1.3. The purchase of Blackheath Library would enable the Council to create a thriving Local Service Centre for Rowley Regis residents, involving a single reception/customer access point for residents, offering a range of services including voluntary community services.

2. IMPLICATIONS FOR THE VISION 2030

- 2.1. **Ambition 7** - We now have many new homes to meet a full range of housing needs in attractive neighbourhoods and close to key transport routes.
- The re-development of the sold Council sites by Black Country Housing Group will provide much needed affordable housing units for the Borough.
 - Based on the existing planning statements for the four sites the creation of circa. 88 social housing properties can be expected.
- 2.2. **Ambition 8** - Our distinctive towns and neighbourhoods are successful centres of community life, leisure and entertainment where people increasingly choose to bring up their children.
- Once purchased Blackheath Library will become a thriving local services centre for Rowley Regis involving a range of services from different locations. This will allow local residents to easily access a range of services in a welcoming environment.
 - The proposal will support the regeneration of the town by concentrating footfall at Blackheath Library on the High Street, which is likely to be of benefit to local businesses.
 - The proposed residential development of Payne Street and the other parcels of land will also help to improve the way the area looks.
 - The proposal will support the delivery of the Digital Strategy's strategic outcomes: i) Digital Communities supporting social inclusion, ii) Skills confidence and trust, iii) Transformation of Services, and iv) organisation fit for the future.
- 2.3. **Ambition 10** - Sandwell now has a national reputation for getting things done, where all local partners are focussed on what really matters in people's lives and communities.
- Subject to Cabinet's decision, we will continue working with local partners from the Voluntary Community Sector (VCS) to look at options to share space in the library and provide services and support that residents need and want. This will help to create a whole offer for Rowley Regis across partners.

3. BACKGROUND AND MAIN CONSIDERATIONS

- 3.1. Blackheath Library is a three-storey building built in 2011 by Black Country Housing Group with some funding from the Council at the time. The building is owned by Black Country Housing Group (BCHG). The Council has a sixty-year lease (from 2011) of the ground floor at a nominal rent to run the Blackheath Library service.

- 3.2. BCHG has decided to cease activities from the library and sell the building.
- 3.3. The Council has a positive working relationship with BCHG and has been given first option to buy the library.
- 3.4. As part of the Transforming Local Services Project the Council has assessed the options around Blackheath Library and has developed a business case for the purchase of the Library and for the creation of a Local Service Centre for the Rowley Regis area. This will support the delivery of the Digital Strategy and its key transformation themes (digital by default workforce, access to services and digital inclusion); and will use the principles of community-led support in support of our Vision 2030 aspirations.
- 3.5. Under this proposal, Blackheath Library would be a location where residents can come together to: -
- access information, advice and guidance (provided by Council and partner services)
 - access hands on support with digital inclusion, (including increased opportunities and support to access on line services through access to public Wi-Fi, digital skills training and hands on support from staff; as well as signposting and promotion of services available on MySandwell portal) in line with Sandwell's Digital Strategy
 - be signposted to services/groups/classes within the local area
 - access a range of activities that are of interest to people in the local area
 - access face to face support around housing
- 3.6. It will also be a place where: -
- a range of activity takes place run by the VCS
 - customers in need of an adult social care social work assessment can book an appointment and be seen by their worker, and where families accessing Community Operating Group (COG) services can meet their worker.
- 3.7. The proposal is for:
- 3.7.1. The Council to purchase Blackheath Library.
- 3.7.2. The Council to sell 4 parcels of land to Black Country Housing Group.
- 3.7.3. The creation of a thriving local services centre involving: -

- the creation of a shared Council reception/single access point from Blackheath Library to create seamless information, advice and guidance for residents;
 - creating a fully co-located office accommodation environment for Rowley Regis teams (Neighbourhoods staff (including Housing Management, ASC, Welfare Rights), ASC Social Work Team(s), and Children's Trust COG);
 - creation of flexible space to enable customers of Neighbourhoods, Children's and ASC services to be seen privately and book an appointment within the Rowley Regis locality;
 - replacing the current cashier's facility at Payne St, with a card only or cash and card payment machine (as appropriate) at Blackheath Library to support channel shift;
 - bringing more VCS activity into the building, aligned to the services offer.
- 3.8. Staff and services currently located at Payne Street, Blackheath and Harvest Road would move to Blackheath Library (Rowley Regis Local, Rowley Regis COG and 2x Adult Social Care Social Worker teams).
- 3.9. The library's long-term future and sustainability is likely to be impacted by the desire of BCHG to move out of the building and potentially dispose of the building. This creates uncertainty. In addition, the library is experiencing decreased footfall and wants to encourage more people to access the library offer.
- 3.10. Rowley Regis Local is currently located at Payne Street. It is anticipated that over time, footfall to the Rowley Regis Local will reduce in line with the Council's move to more digital access to services. Through bringing the Local and Library into one location and providing a single reception (jointly staffed by Locals and Libraries) it is felt that customers can be better supported and have access to a range of information, advice and guidance. This will also help to ensure the sustainability of Blackheath Library service through increasing footfall to the building.
- 3.11. The proposal involves two Adult Social Care Teams, the Rowley Regis C and Rowley Regis Local teams co-locating within the office environment space at Blackheath Library. This will strengthen their service delivery through fostering closer working arrangements and ensuring that they are equipped to be digital by default to free them to work on what matters most.
- 3.12. As part of the development of proposals for Blackheath Library, discussions have taken place with a small selection of VCS organisations to understand the sector's interest in delivering services from this location. Further discussions will take place to refine what VCS activity will be on

offer at Blackheath Library to supplement existing VCS activity, and the Council and COG offer from the building.

- 3.13. The anticipated benefits of the Blackheath Library project to residents are:-
- Securing c.68 new houses with 100% nomination rights.
 - Ensuring the sustainability of Blackheath Library through increasing footfall.
 - Accessibility of services (Council and partners) improved through their location in a single building, and a single reception and triage team receiving customers.
 - Accessibility of services and digital inclusion improved through an increase of digital support available at Blackheath Library.
 - Services located in a welcoming environment.
 - Access to more voluntary sector activity at Blackheath Library, aligned to the services on offer and the needs of Rowley Regis residents.
 - Increase in footfall to Blackheath High Street supporting local businesses.
- 3.14. The anticipated benefits to the Council are:-
- Improving services to Rowley Regis residents
 - Strengthen working relationships with VCS organisations
 - Providing a long-term solution to the location of Rowley Regis Local, COG and ASC teams; enabling them to benefit from a modern co-located working environment
 - Realising efficiencies through working more closely together and providing a single reception team.
 - Contribute to delivery of Digital Strategy
 - Vacant land being developed in a co-ordinated way
- 3.15. The proposal to acquire the Library will be subject to an independent strategic investment assessment and will be required to achieve the necessary pass rate prior to the decisions being enacted. The Executive Director – Neighbourhoods and the Executive Director - Resources will review the outcomes of the strategic investment assessment in consultation with the Cabinet Member for Neighbourhoods and Communities and the Leader.

4. THE CURRENT POSITION

- 4.1. BCHG has agreed to the principle of the council selling land to BCHG to at least the value of the library building.
- 4.2. An options appraisal has been undertaken by the Transforming Local Services Project Board and the preferred recommendation is to look at co-locating services to Blackheath Library.

- 4.3. BCHG and the Council would benefit from the proposed purchase and associated land swaps as this would secure social (affordable) housing on the land sold in the region of 88 units. The new build will see significant investment in the borough.
- 4.4. The Council would have 100 % nomination rights on first lets and 50% nomination rights on subsequent re-lets. BCHG does not wish to “land bank” the sold land and the land should be developed in a reasonable time.
- 4.5. The four sites identified to sell to Black Country Housing Group are as follows: -
- The site of the existing council offices at Payne Street, Blackheath (site plan SAM-37260-003 attached)
 - The site of the former Shaftesbury House, 402 High Street, West Bromwich (site plan SAM-24140-041 attached)
 - Meredith Street / Upper High Street, Cradley Heath (site plan SAM-49700-002 attached)
 - 106 A Birmingham Road, Rowley Regis (site plan SAM-05340-007 attached)
- 4.6. To assist the Council with the development of the model for Blackheath Library and how VCS activity will be supported, Black Country Housing Group has agreed, following Council acquisition to lease the second floor of the library for a minimum period of three years with an option for a further two years. The lease will be based on market rent/service charge terms.
- 4.7. Due to the complex nature of the overall proposal it is suggested that the Council and Black Country Housing Group sign a partnership agreement which will outline the timescale for the development of the sites and the formal purchase of the library by the Council.
- 4.8. Black Country Housing Group Board discussed the outline proposals at its Board meeting on 24 January 2019. Black Country Housing Group Board is due to approve the sale of Blackheath Library and purchase of the four sites at its Board meeting on 28 March.
- 4.9. Subject to the Cabinet’s approval of the proposals outlined in this report, approval of the capital appraisal, and approval from BCHG Board, work will progress on the partnership agreement with BCHG. It is anticipated that this will take around 6 months to develop and agree. After this, work can commence to prepare Blackheath Library building with the aim of staff and services being transferred by April 2020.

5. CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 5.1. Public consultation will take place once timescales for the four sites and the move of staff and services to Blackheath Library are available (as per the Partnership Agreement).
- 5.2. As part of the consideration of options for Blackheath Library, engagement has taken place with a small selection of Voluntary Community Services organisations, to explore the sector's interest in and demand for delivering services from the Blackheath Library location. Subject to the approval of the purchase of the Blackheath Library building, further discussions will need to take place to refine the VCS services that will be delivered from Blackheath Library.

6. ALTERNATIVE OPTIONS

- 6.1. An alternative option would be not to buy the library. The future of the ground floor library provision is secured by means of the existing lease. Such an approach would, however not allow the council to modernise service provision.
- 6.2. The long-term sustainability of existing neighbourhood services, ASC and COG activities from the current Payne Street offices must be questioned. Space is already at a premium at Payne Street and there is limited potential to modernise services from this location.
- 6.3. Another option would be to lease the rest of the library building from Black Country Housing Group. This would mean the council giving up free hold assets to rent premises, which is against the recently agreed asset management plan. Black Country Housing Group, also want a longer-term solution to the building and would not be keen on a rented option.

7. STRATEGIC RESOURCE IMPLICATIONS

- 7.1. The Council and Black Country Housing Group have sought independent valuations of the buildings involved within this proposal. Subject to approval to proceed, these valuations will need to be jointly agreed by the Council and BCHG.
- 7.2. The sale of four buildings referred to in this report is estimated to generate a capital receipt in excess of the purchase price of Blackheath Library.
- 7.3. The review of future costs and income has indicated that this proposal will be at least self financing within current Council resources. The indicative rental streams from external organisations is estimated to meet the on-going operational expenses.

7.4. The financial model is summarised below. Savings are anticipated in years 1 to 3 and from year 4 onwards the project is anticipated to generate a net pressure of £24,700 following the loss of income from the BCHG and the increased cost of building repairs and maintenance.

	2019/20	2020/21	2021/22	2022/23
	£	£	£	£
Expenditure	105,100	105,100	105,100	140,600
Income	(97,200)	(121,200)	(121,200)	(91,200)
(Surplus) / Deficit	7,900	(16,100)	(16,100)	49,400
Saving in Service Charge from BCHG	(24,700)	(24,700)	(24,700)	(24,700)
Net (Surplus) / Deficit	(16,800)	(40,800)	(40,800)	24,700

7.5. A revised business plan will be produced by 2022 to resolve the pressure from year 4 onwards. This will involve exploration of options for new tenant(s), moving additional services into the space, and/or identification of other assets in the area that can be considered surplus. The development of these options is underway.

7.6. If 68 units are built on the exchanged sites, in a full financial year based on 2018/19 council tax Band A this would generate £61,200 additional Council tax income per year.

7.7. Savings and efficiencies: -

- A shared reception across the Library and Locals service is likely to create some staff efficiencies in the future. This will be subject to full consultation with staff affected and Trade Unions.
- Through supporting the ASC social work service delivery model (by providing a location where residents can be seen), this will lead to efficiencies through fewer journeys made by ASC social workers to customers houses (travel costs and time saved).
- Through creating sufficient space for other workers who want to use 'locality' venues, this will support the ability of other teams to use the location for office accommodation hot desking (e.g. Children's Trust Care Management, Leaving Care Team, YOS). This will lead to some efficiencies associated with staff travel time and productivity.

8. LEGAL AND GOVERNANCE CONSIDERATIONS

8.1. The Council Property Protocol requires an independent valuation of the sites. The valuations have been commissioned.

8.2. Any proposed procurement process will comply with the public procurement rules.

- 8.3. General authority. Section 2 of the local Government Act 2000 covers the promotion of wellbeing. This gives the Council power to do anything that is likely to achieve the promotion or improvement of the economic, social or environmental wellbeing of their area.
- 8.4. The Local Government act 1972 requires the Council to demonstrate “best consideration reasonably achieved” when disposing of land. The independent valuations comply with this requirement.
- 8.5. Local authorities have a statutory duty under the Section 7 of the Public Libraries and Museums Act 1964 ‘to provide a comprehensive and efficient library service for all persons’ in the area that want to make use of it. Local authorities have the power to offer wider library services beyond the statutory service to other user groups, and the Act allows for joint working between library authorities. In considering how best to deliver the statutory duty each library authority is responsible for determining, through consultation, the local needs and to deliver a modern and efficient library service that meets the requirements of their communities within available resources.

9. EQUALITY IMPACT ASSESSMENT

- 9.1. An equality impact assessment screening exercise has been carried out and has identified no significant equality implications.

10. DATA PROTECTION IMPACT ASSESSMENT

- 10.1. Data used in relation to this project will comply with current data protection legislation, regulations and council policies and procedures.

11. CRIME AND DISORDER AND RISK ASSESSMENT

- 11.1. Any partnership agreement between the council and Black Country Housing Group will be based on the requirement to sequence the land disposal and site development in a way that keeps the opportunity for criminal activities to a minimum.
- 11.2. The new housing units will have regard to the principals of secure by design.
- 11.3. A risk register has been completed for the project, which will be reviewed on a quarterly basis by the Transforming Local Services Project Board.

12. SUSTAINABILITY OF PROPOSALS

- 12.1. The focus of the Transforming Local Services project is to ensure that frontline services have a sustainable future. The proposal leads to the long-term sustainability of Blackheath Library (through concentrating footfall) as well as ensuring the long-term sustainability of the Blackheath library building itself. By co-locating services this helps to strengthen frontline services as a whole and creates a thriving local services centre for Rowley Regis Town. The revenue required is available and sustainable.
- 12.2. An increase in footfall within the library and the local area on the High Street will benefit local businesses and services.
- 12.3. The Council will continue to work with its partners to ensure that service provision continues to evolve.
- 12.4. The business plan has identified a budget to ensure that we can invest in the building over the long-term.

13. HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

- 13.1. The Blackheath Library building will provide a range of benefits to the community. This would be a location where residents can come together to: -
 - access information, advice and guidance,
 - access hands on support with digital inclusion, (incl. increased opportunities and support to access on line services through access to public Wi-Fi, digital skills training and hands on support from employees; as well as signposting and promotion of services available on MySandwell portal.)
 - be signposted to services/groups/classes within the local area.
 - access a range of activities that are of interest to people in the local area
 - access face to face support around housing
- 13.2. It will also be a place where customers in need of an adult social care social work assessment can book an appointment and be seen by their worker, and where families accessing COG services can meet their worker.
- 13.3. Wider benefit will be provided through the training opportunities available in relation to the new build properties.

14. IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

- 14.1. The council will be disposing of outdated assets at Payne Street and adding modern library building to its portfolio.

14.2. The council will be disposing of surplus land in a planned way which should see the sites developed quickly.

15. CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 15.1. This report follows detailed work over many months by the Transforming Local Services Project Board.
- 15.2. The library's long-term future and sustainability is likely to be impacted by the desire of Black Country Housing Group (BCHG) to move out of the building and potentially dispose of the building. This creates uncertainty and an opportunity.
- 15.3. The proposals address a number of issues and problems that are likely to impact on service provision, future use and sustainability of current buildings in Blackheath.
- 15.4. The proposals will result in the council modernising local services for Rowley Regis town and support the building of affordable housing units across the borough.

16. BACKGROUND PAPERS

- 16.1. Transforming local Services project papers.

17. APPENDICES:

- 17.1. Site plans



Dr Alison Knight
Executive Director - Neighbourhoods.

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