

Committee/Meeting: Cabinet	Date: 07 July 2010	Classification: Unrestricted	Report No:
Report of: Corporate Director Communities, Localities and Culture Originating officer(s) Heather Bonfield – Service Head Culture Judith St. John, Head of Idea Store		Title: Idea Store Strategy Action Plan Update - Idea Store Watney Market and One Stop Shop Wards Affected: All	

Lead Member	Cllr Denise Jones, Lead Member for Culture and Creative Industries
Community Plan Theme	A GREAT PLACE TO LIVE ONE TOWER HAMLETS
Strategic Priority	Strengthen and connect communities Work efficiently and effectively as One Council

1. **SUMMARY**

- 1.1 The Idea Store Strategy, which was renewed last year, demonstrated the continuing need for a network of seven Idea Stores within the Borough as set out in the original strategy. It introduced a new, innovative, smaller Idea Store model that would facilitate the completion of this network within a much tougher financial climate whilst still delivering many of the benefits of the larger Idea Stores. One aim of the Strategy was to explore and pursue the potential for creating an Idea Store in the Watney Market area as the existing library was inadequate to meet local needs. This work has progressed substantially.
- 1.2 This report provides an overall update on the Strategy Action Plan and presents detailed proposals for the creation of an Idea Store at Watney Market. It requests a number of urgent related decisions necessary to secure £2m of time limited Big Lottery funding including the appropriation of the site for planning purposes and progress the project to implementation.
- 1.3 Following endorsement of the scheme by the Asset Management and Capital Strategy Board on 24 May 2010 the report seeks approval for the adoption of a Capital Estimate required to deliver the new Idea Store and a new One Stop Shop in Watney Market as part of a joint capital project between Communities Localities and Culture and the Resources Directorates. The Project will then proceed subject to planning approval, compliance with corporate procurement protocols and further community engagement specific to the development of detailed design.

2. DECISIONS REQUIRED

Cabinet is recommended to:-

- 2.1 receive the update on progress on the Idea Store Strategy Action Plan and comment accordingly.
- 2.2 authorise the Corporate Director, Communities, Localities and Culture to enter into a grant funding agreement with the BLF to secure the £2m of funding provisionally allocated to the project.
- 2.3 approve the inclusion of the scheme within the capital programme and adopt a Capital Estimate for the sum of £4,101,000 for the delivery of the Idea Store Metro and One Stop Shop at Watney Market.
- 2.4 authorise the Corporate Director Development and Renewal to facilitate the allocation of S106 commuted sums as part-finance for the scheme as set out in the capital profile attached to this report as a matter of priority.
- 2.5 authorise the Corporate Director, Communities, Localities and Culture to proceed with building procurement in accordance with Council's financial and procurement protocols subject to planning permission and 2.8 below.
- 2.6 approve the use of the council owned plot of land listed in Appendix 1 for development of the new Idea Store Metro and One Stop Shop.
- 2.7 Approve the appropriation with immediate effect of the site for planning purposes pursuant to Section 122 of the Local Government Act 1972.

3. REASONS FOR THE DECISIONS

- 3.1 The need for an Idea Store at Watney Market has been identified by the Idea Store Strategy and would replace a sub standard library housed in a small shop unit.
- 3.2 The BLF award is time-limited and the project needs to be agreed by Members and put before the Planning Committee in order to meet the requirements of this award.
- 3.3 The co-location of the Idea Store and One Stop Shop will enable the Council to deliver more efficient and localised services in keeping with both the Community Plan and the Strategic Plan Priorities.
- 3.4 The emerging Town Centre Implementation Programme identifies Watney Market as one of three priority town centres for improvement, expansion and development. Community facilities form a key element of town centres and an Idea Store and One Stop Shop in this location would enhance the offer to local residents and businesses.
- 3.5 The site is vested with the HRA and needs to be transferred to the general account by way of appropriation, appropriation from the HRA for planning purposes will also override any encumbrances on the site that may hinder the proposed development of the Idea Store on the site..

4. ALTERNATIVE OPTIONS

- 4.1 The 'do nothing' option is not considered viable due to the inadequate nature of existing library facilities in the Watney Market area and the urgent need to find alternative and improved accommodation for the local one stop shop to improve one stop shop customer experience and free up Cheviot House as a capital asset which is currently a significant revenue liability.
- 4.2 The award of £2,000,000 funding from BLF is time limited and dependent on the Council's timely commitment to the development. The funded facility must be open as a condition of the funding by April 2012. A swift decision to move forward with the scheme is required by the Council in order to safeguard the £2m BLF funding and ensure related conditions are met. If the BLF is not secured now any new proposals to relocate Watney Market Library and the One Stop Shop in the future would require alternative sources of funding to be identified as this funding stream will not be available in the future.
- 4.3 There are no opportunities to expand the existing library by increasing its presence in the Watney Market shopping parade by taking up more shop units. Even if this were possible this would deprive the shopping centre of commercial space and make it harder to achieve a critical mass of traders to sustain the centre in the future. The proposed option retains the benefit of the Idea Store acting as an effective anchor store for the Watney Market traders by drawing repeat visits to the retail area whilst maximizing the ability of that retail area to develop.
- 4.4 By linking the Idea Store project and the One Stop Shop Project capital and revenue efficiencies are gained that allow for an improved offer to be delivered for both services in the locality. The new One Stop Shop would cost less to run and the revenue can be transferred to provide the additional budget necessary to deliver extended services in the new Idea Store. It would not be financially viable to construct an idea Store without this project link as a capital short fall of £800,000 would result and the revenue available to operate the new Idea Store facility would be insufficient to enhance the service to meet local need. Additional funding would need to be found.

5. BACKGROUND

- 5.1 The revised Idea Store Strategy, approved in July 2009 included a Years 1-2 Action Plan. The Strategy revisited the needs analysis that underpinned the successful introduction of the Idea Store Concept eight years earlier and established that the areas of need and opportunity remained the same. The original premise that a network of seven Idea Stores in specific locations close to shopping centres would be the most effective spatial distribution to meet local needs was reaffirmed. At the same time it introduced the concept of a smaller generation of Idea Stores (An outline of the new smaller Idea

Store concept is provided in Appendix 3) and the potential across the network to deliver a wider service offer by developing more effective links with relevant service providers. The action plan set out key initiatives in order to :-

- Improve the quality and scope of core library and information services provided by Idea Stores and Libraries
- Improve the quality and scope of core adult learning services
- Expand the provision of high quality health information, advice and support in Idea Stores and Libraries

5.2 It continued to identify both the need and potential for one of the new generation of Idea Stores in Watney Market

6. UPDATE ON THE IDEA STORE STRATEGY ACTION PLAN

6.1 Action Plan

An updated copy of the Idea Store Strategy Year 1-2 Action Plan is attached at Appendix 2. Of the 54 activities included in the action plan 31 have been completed and 12 are ongoing and of a medium-term nature and the remaining 11 are currently underway. Particular successes include:

- The renewed focus on core reading services to improve the reader offer has been highly successful, resulting in a significant increase in lending. Issues rose by 10% between 08/09 and 09/10 and have now topped 1m.
- Individual visits to Idea Stores and Libraries continue to rise and in 2009/10 rose to 2,071,933 (or 9,396.52 visits per 1,000 residents).
- The integration of future Idea Store infrastructure demands into the Local Development Core Strategy, which has identified areas of search for various types of social infrastructure.
- Work to secure possible future infrastructure through the planning contributions process on key development sites is starting to establish clear and potentially viable options to inform future decision making.
- The process of integrating lifelong learning, library and information services under a unified management structure within the Communities, Localities & Culture Directorate has started and will enable a more integrated and seamless customer offer in line with the Idea Store Sub Brand.

7. IDEA STORE METRO WATNEY MARKET AND ONE STOP SHOP: WORK TO DATE AND KEY CONTEXT

7.1 The Idea Store Strategy has identified the ongoing need for facilities in the Watney Market area. This was on the grounds that the current library facility in the market area is inadequate to meet local needs and could not be converted to meet the operational or presentational requirements of an Idea Store.

7.2 To this end the opportunity site identified by this report (Appendix 1) was researched and an outline proposal submitted to the Big Lottery Fund. A

BLF grant of £2m has been agreed in principle and awaits Council endorsement of the scheme in order to secure it.

- 7.3 The BLF Community Library Funding Programme ends in March 2013. Conditions of the funding require the funded project to have been operational for one year before the programme ends. This requires the proposed building to be open by March/April 2012. Whilst this sounds like a long time it is tight for a capital project of this complexity to be delivered. It is essential that a decision to progress is made as quickly as possible to ensure that the build programme can be delivered within this tight time frame.
- 7.4 The opportunity site is immediately adjacent to the northern access to the Market with a strong frontage to Commercial Road. From a location perspective it is considered compatible with the Idea Store Strategy analysis. It is also compatible with the objectives of the LDF to focus community facilities within town or district centres. The site is vested with the HRA and will need to be transferred out of HRA control before the scheme can progress. This is dealt with in section 8.6 below.
- 7.5 As part of a move to multi-agency One Stop Shops, the replacement of the current Cheviot One Stop Shop (close to the opportunity site on the other side of Commercial Road) and potential co-location with the Idea Store Metro would enable economies of scale in procurement and construction. In addition the relocation of the One Stop Shop facility would enable the release of Cheviot House for alternative use and free up two shop units in Watney Market potentially extending the retail offer.
- 7.6 In light of the above, the Asset Management and Capital Strategy Board at its meeting on 24 September 2009, approved the commissioning of a feasibility study to look at the proposed co-location of the Idea Store and One Stop Shop within Watney Town Centre (Idea Store Metro Watney Market feasibility study, attached at Appendix 3). The project was considered and approved by the Asset Management and Capital Strategy Board on 24 May 2010.
- 7.7 The work to date has established that there is:
- A suitable and available development site already in Council ownership and attracting, therefore, no purchase cost.
 - A preferred procurement model using Design and Build
 - A design that fulfils LBTH requirements for an Idea Store and a new one stop shop and that is acceptable in principle to the Planning Dept.
 - A viable funding plan including £2m of Big Lottery Funding.

8. THE SCHEME

- 8.1 The scheme proposes that the Idea Store Metro will be located on Commercial Road, directly in front of the Western block of the Watney Market development (the site plan is attached at Appendix 1). The proposal is for a

striking, highly visible three-storey building presenting its main façade to Commercial Road thus helping to re enforce the entrance to the market and shops.

8.2 The planned provision for Idea Store Watney Market is for 1,389 m² to deliver:

- Adult and children’s library with learning activities for all ages
- Surfing space providing free public internet access
- Flexible learning spaces. These will provide both formal and informal learning activities
- Health advice and information services
- Single Access Point. This initiative would provide a wide range of joined-up services that help to address the multiple barriers to employment in order to support people into work
- Meeting and activity space for community groups
- Display areas for local artists and exhibitions
- Storage
- Public and staff toilets
- Staff room

8.3 The development of this new Idea Store ‘Metro’ style facility will enable the transfer into modern accessible facilities of the existing provision at Watney Market Library. In addition, 122m² of the total space will be provided to replace the existing Cheviot One Stop Shop providing a pleasant and accessible customer environment that significantly improves upon the existing accommodation. This service will be located on the ground floor and share “back room” support space such as staff room, wcs, etc. It is envisaged that both Watney Market Library and Cheviot One Stop Shop will remain open throughout the construction period and will close once the new building is opened. The improved idea store space will attract higher visitor numbers than the existing library to the Watney Market area effectively enhancing the ‘anchor store’ effect of the facility for the shopping centre and boosting the local economy.

8.4 **Capital Costs**

8.4.1 This report recommends that the facility be developed on existing Council owned land. The capital cost of the building construction is estimated at £4.101million assuming a Design and Build approach.

8.4.2 In order for the scheme to proceed, the following capital receipts have been identified:

Construction of Building:

Funding	Design & Build
Big Lottery Fund	£2,000,000
One Stop Shop contribution	£1,000,000
Section106 contribution*	£1,101,000
TOTAL	£ 4,101,000

* S106 already triggered. Ref. **PA/07/02193**. Available to deliver cultural products.

8.5 Revenue Costs

8.5.1 The proposed service model of combining the Idea Store and OSS services will be further refined but show that the new building can deliver the enhanced Idea Store services of 60 operating hours and retain the OSS operating hours with no increase in the overall current revenue levels:

	Watney Market Library	Cheviot One Stop Shop	Total	Idea Store Metro*/OSS+ Total
Frontline salaries	£339,578	£434,206	£ 773,784	£ 704,000
Premises and running costs	£ 44,600	£145,560	£ 190,160	£ 200,000
Total	£384,178	£579,766	£ 963,944	£ 904,000
Total weekly operating hours	46 hours	44 hours	-	60 hours*

+ OSS operating hours unchanged

8.5.2 The model is considered efficient in that it offers increased hours of access and a significant increase in the range and quality of services, with increased hours of access and delivering a minimum £60k revenue saving.

8.5.3 The business model vests all building management responsibilities with the Idea Stores. The premises related costs of operating the improved Idea Store facilities for 60 hours a week are £200,000. Current library revenue available is £44,600. The current premises and running costs for the Cheviot One Stop Shop is £145,560. The cessation of the OSS occupancy of Cheviot House will result in some immediate savings to the FM budget. Given that the OSS would not be picking up premises and running costs in the new building and in order to facilitate the improved OSS and Idea Store offer £50k of this budget will be vired from the FM budget to the Idea Store Service in the year the building becomes operational with the residual £105,400k being addressed within the existing CLC budget envelope.

8.5.4 As an additional benefit the scheme frees up two retail units currently occupied by the Watney Market Library that can also start to contribute to the local economy.

8.6 Implications for the HRA.

8.6.1 The Opportunity Site identified in Appendix 1 has been confirmed as being vested with the HRA. The site would therefore need to be transferred to the General Fund for the scheme to progress and this report makes that recommendation. The site has been independently valued and has a nil value. There are no compensation requirements for the HRA as a result. For the same reason there are no implications for Housing Subsidy. This has been confirmed by Development and Renewal Finance.

8.7 **Community Consultation**

- 8.7.1 A Community Engagement Plan has been submitted to the BLF. The ongoing success of the Idea Store programme from its inception in Idea Store Bow has been a result of engaging with local communities, and ensuring that the Idea Stores answer specific local needs and encourage a high degree of public 'ownership'. The Idea Stores started with one of the largest ever public consultations about public libraries, from which came some of the core principles to do with design, location and offer. Subsequent focus groups provided valuable feedback data for the ongoing programme. On going consultation will take place via LAPs and the Community Consultation Service.

9. **COMMENTS OF THE CHIEF FINANCIAL OFFICER**

- 9.1 This report seeks Cabinet approval to adopt a Capital Estimate of £4,101,000 for the Idea Store Metro scheme, to be funded from the Big Lottery fund, the One Stop Shop Local Priorities Programme allocation and contributions from Section 106, as outlined in paragraph 8.4.2.
- 9.2 The total revenue budget currently available, for both the Watney Market Library and Cheviot One Stop shop is £964k. The report identifies an on-going revenue funding gap of approximately £160,000 per annum to pay for the facilities management costs of the new building compared with the facilities management budget for the Watney Market Library. To help fill this gap, officers recommend that 50k of the Cheviot House premises and running costs budget of £145,000 currently held within the facilities management Budget of the Resources Directorate be transferred to the Idea Stores Budget within CLC in the year that the building becomes operational, as they will be responsible for managing the building. The remainder of the budget adjustment would be met from within CLC.
- 9.3 The transfer of freehold interests from the Housing Revenue Account to the General Fund could under normal circumstances have significant financial implications for the HRA arising from the mechanics of the Housing Subsidy system. However, as appropriation takes place at certified market value, which in this instance has been independently considered to be nil, the impact is neutral.

10. **CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)**

- 10.1. This report seeks authority for the appropriation for planning purposes of land owned by the Council being the site of the proposed Idea Store at Watney Market identified in Appendix 1 under Section 122 of the Local Government Act 1972 this will enable the powers in Section 237 of the Town and Country

Planning Act 1990 to be used to facilitate the comprehensive development of the proposed Idea Store as set out in this report.

- 10.2. The Council holds property for various statutory purposes in order to provide its various functions for example housing purposes. The site identified by this report is currently held in the HRA such land is used only for such purposes until it is disposed of or “appropriated“ for another purpose. Appropriation is the statutory method to change land from being held for one purpose to another and the procedure for doing this is laid down in Section 122 of the Local Government Act 1972.
- 10.3. Land is held by the Council subject to any third party legal rights. However if the land has been formally appropriated for planning purposes then Section 237 of the Town and Country Planning Act 1990 provides a statutory power to override easements and other rights following the grant of planning permission for the development of land. The rights that are overridden convert these rights into compensation which is payable to any person suffering loss. It also removes the potential for such owners to frustrate development by way of injunction and delay.

11. ONE TOWER HAMLETS CONSIDERATIONS

- 11.1 The scheme addresses the Community Plan theme of A Great Place to Live and Strategic Plan Priority 2.2: Strengthen and connect communities by providing enhanced services that support parenting, child development, after school activities, cultural development, self help, information way finding and cohesion. Idea Stores are also working with the Local Strategic Partnership to provide more efficient and localised services and in particular better local health information. It delivers One Tower Hamlets Priority 1.2: Work efficiently and effectively as One Council in helping to deliver the Local Priorities Programme. Idea Stores play a major role in bringing communities from different backgrounds together and in promoting community cohesion. It also delivers targeted lifelong learning services that help disadvantaged communities overcome inequality in the jobs market and poverty.

12. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 12.1 Sustainability is integral to the proposed design of the Idea Store Metro. The building has the potential to exceed current targets for energy usage and renewable energy provision (as per the Great London Authority 20% carbon reduction target). The design will also achieve BREEAM ‘Excellent’ rating.
- 12.2 **Social sustainability**
The Idea Store provides access to information and services that help promote lifelong learning and improve health and well being. Through services such as free internet access, lifelong learning, cultural activities and local history and events, the Idea Store provides a practical way to support community cohesion, one of the key principles of the Borough’s vision.
- 12.3 **Sustainable technologies**

The Idea Store will employ good practice in its design to make the best use of environmental resources, through management of water and waste resources and efficient design to minimise carbon emissions.

12.4 **Economic sustainability**

The Idea Store offers equality of opportunity by providing information and services to meet the needs of Tower Hamlets' diverse population. Specifically, lifelong learning can help tackle employment skills and improve access to employment opportunities, benefiting both the unemployed and the employed. Connecting with young people, such as engaging them to develop learning programmes for their peers, is one of the practical ways that the Idea Store can complement education. Economic sustainability of the Watney Market locality, for existing and future businesses, will be improved by the proposed regeneration of the area.

13. **RISK MANAGEMENT IMPLICATIONS**

- 13.1 The project risks relate to the delivery of the Idea Store rather than the ongoing operation of the Idea Store. Appropriate contingencies in both the Project Cost Plan and Programme have been included to take account of the perceived project delivery risks. Risks will be monitored through out the project and reported to the Project Board. Updates will be provided to the Asset Management and Capital Strategy Board.

14. **CRIME AND DISORDER REDUCTION IMPLICATIONS**

- 14.1 The proposals do not contribute directly to the reduction of crime and disorder.

15. **EFFICIENCY STATEMENT**

- 15.1 The service model brings together two service areas within one building with shared back office space. The model offers increased hours of access and a significant increase in the range and quality of services, whilst incurring no additional revenue costs.
- 15.2 The new building will be built on redundant land, utilising the latest construction techniques and will therefore deliver a more eco friendly building. A reduction in carbon emissions compared to the current buildings in use will translate into savings on CO2 penalties.
- 15.3 The current buildings are a significant drain on revenue resources and therefore by vacating, a capital asset will become available, as will retail units which could produce a revenue stream.

16. **APPENDICES**

Appendix 1 – Site Plan

Local Government Act, 1972 Section 100D (As amended)
List of “Background Papers” used in the preparation of this report

Brief description of “background papers”	Name and telephone number of holder and address where open to inspection.
none	N/A