

## **Cabinet**

**12 July 2017**

### **Regeneration of Peterlee – Re-provision of Peterlee Library**



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#### **Report of Corporate Management Team**

##### **Corporate Management Team**

**Ian Thompson, Director of Regeneration and Local Services**

**Councillor Joy Allen, Cabinet Portfolio Holder for Transformation**

**Councillor Carl Marshall, Cabinet Portfolio Holder for Economic Regeneration**

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#### **Purpose of the Report**

- 1 The purpose of this report is to detail the process for vacating the existing library site to allow for disposal of the land, and re-providing the service within Peterlee Leisure Centre.

#### **Background**

- 2 Peterlee Library is currently located within a disused college building on a site forming a key gateway to Peterlee Town Centre. The surrounding site is owned by Tesco Supermarket plc, having been purchased four years ago, for the purpose of developing a new Tesco Superstore with parking.
- 3 As part of the food-store redevelopment proposals, Durham County Council entered into an agreement with Tesco to sell the library on the condition that Tesco would build a new library adjacent to the food-store. The former college and existing library building would then have been demolished as part of the project.
- 4 In 2015, Tesco's board made the decision not to develop a number of sites nationally including the Peterlee College Site and decided instead to market the site. Initially, it was hoped that a buyer would agree to purchase the site with the library in-situ, after which Tesco would renegotiate with DCC as regards the future of the library.
- 5 After several rounds of marketing, limited interest has come forward and Tesco's board believe that despite the council's willingness to liaise with the sale process, the complication of a third party ownership within the site is causing a level of uncertainty and preventing progress.

- 6 The former College site has been marketed by Tesco throughout 2016, incurring holding costs for Tesco and resulting in a largely unused building in a key location at the gateway to Peterlee Town centre. The redevelopment of the Tesco site in Peterlee will form part of a wider regeneration programme, which includes improvements to road and path infrastructure and new residential developments.
- 7 In order to facilitate development of the former college site this report seeks agreement to relocate the library to Peterlee Leisure Centre by varying the original agreement with Tesco to build a new library, in return for a financial contribution of £846,000 towards the Council's costs of relocation. In doing so there are a number of material considerations which are set-out in the following sections namely:
  - a. Demand for Library Provision in Peterlee,
  - b. Variation of the original agreement,
  - c. Extension of the project to include swim changing provision at Peterlee and use of resources to leverage Sport England grant funding as part of a swim pilot project across a number of DCC swim sites
  - d. Funding Implications
  - e. Operational Issues

## **Material Considerations**

- 8 **Demand for Library Provision in Peterlee:** Peterlee is a busy town centre library, engaging a wide demographic of adults, children and teens. With circa 3,000 Active Borrowers (people borrowing a book in the last 12 months) and 124,359 book issues in 2016/17, Peterlee library is the third busiest library in the county. Peterlee has a population of 28,251 (Census 2011), and has a membership of 13,953 people which equates to 49 % of the population. Whilst one of the best performing libraries this is within a context of a general decline in library use over the last six years both nationally and across the County.
- 9 Peterlee Library has performed above average in this context and continues to support local AAP priorities and community benefit. The library provides a safe and welcoming space to enable people to engage on a cultural and social level. It's vibrant adult cultural programme – including, creative sessions, workshops and reading groups - attract over 8,000 participants each year. Similarly, children often have their very first cultural experience at a library; Peterlee Library provides a number of organised sessions through which to promote this and on average, attracts over 400 children to organised sessions each month.
- 10 In addition the library encourages progressive learning - lifelong development and participation in adult skills courses – providing a bridge for local people to move out of unemployment towards learning new skills, building greater confidence and eventually moving back into the workplace.

- 11 Free computer at the site also enables those who cannot afford to “get online” to participate in a digital life - whether that be applying for jobs and housing or engaging with the council. In total 10,963 computer sessions were taken up at Peterlee in 2016/17.
- 12 In order to ensure any relocation does not have a detrimental effect on existing engagement a review of potential alternative sites was undertaken and from which co-location with the existing leisure facility was identified as the preferred option. Alternative options considered included retail units elsewhere in Peterlee town centre; however, these were deemed unsustainable financially. Co-location follows the precedence of a principle already applied elsewhere in the County, which not only continues to provide the existing service, but makes efficiencies in terms of building running costs and asset management. It also has the added advantage of allowing the library service to be extended beyond the existing operating hours through its location within a building that remains open over 90 hours a week, should that be required.
- 13 Co-locations in the Louisa Centre, Stanley and Newton Aycliffe Leisure Centre, have proved very successful and are popular with residents, demonstrated by the increased uptake of services and the rise in active borrowers.
- 14 At Newton Aycliffe and Stanley both have shown monthly increases of 18% and 24% respectively, when compared to the number of issues in the same months of the previous year, demonstrating the value of a modern fresh co-located service offer. In the Louisa leisure centre, active borrowers have risen from 1991 to 2485 in 16/17, and although early days at Newton Aycliffe, in the first two months of opening, there has been a significant increase in new members, particularly juniors.
- 15 It should also be noted that a Library Transformation Project is currently under consideration. Given the popularity of the service in Peterlee, evidenced through its performance, and the timeliness of the available resources the transformation project, as at Newton Aycliffe, does not present as a reason not to proceed. It does not, however, mean the site will not still be part of the transformation process through which the nature of the service and alternative delivery models will be considered for all libraries including Peterlee.
- 16 **Variation to the Tesco’s Agreement:** At the end of March 2017, Tesco representatives suggested that the library remaining on the site was potentially a barrier to prospective buyers, despite Council reassurance to co-operate in relocation as part of the wider regeneration objectives for the site. To help progress the sale of the site, Tesco is now proposing to purchase the library so they can demolish and clear the site ahead of agreeing a sale.
- 17 The Council has negotiated with Tesco on the costs required to vacate the site. To progress negotiations towards the sale of the College site, Tesco’s board approved £846,000 in May this year, to cover purchase of the land and

provide appropriate compensation, the sum of which will cover the relocation of the library service.

- 18 All that remains from a legal perspective is for the Council and Tesco to move to a deed of variation, which will involve changing the obsolete provisions in the original contract and include the payment of £846,000 for a replacement library.
- 19 As the disposal of the site to Tesco has already been agreed previously, internal and external stakeholders will not be given the option to acquire the asset through the disposals policy, as the re-provision of the library service is only possible through the financial package associated with clearing the site.
- 20 **Extension of the project to include swim changing re-provision:** In November 2016, Culture and Sport commissioned RIBA stage 3 designs to establish detailed costs to relocate the library into Peterlee Leisure Centre. The scope of these designs were extended to include improvements to the reception area which would need to accommodate both library and leisure centre customers, and also the changing rooms which would require “making good” as part of the overall scheme.
- 21 At the same time as proposals were being considered for library provision at the leisure centre, Sport England were conducting a pilot where customers were consulted on the issues that influenced their decision to use swimming facilities. Peterlee Leisure Centre was included in this pilot, together with pools at Chester-le-Street, Newton Aycliffe and Woodhouse Close. Feedback from the pilot identified poor, ageing facilities in three of the four pools as a key barrier to users, including unwelcoming and ill-defined reception areas, worn and broken facilities in changing areas and a general feeling of neglect in customer facing areas.
- 22 As the co-location of library services resulted in improvements to Peterlee leisure facility that also addressed issues highlighted by the Sport England pilot, the library project’s capital allocation was used to lever £500,000 external funding from the Sport England Scheme to make improvements to two other pools; Chester Le Street and Woodhouse Close.
- 23 The progression of these additional schemes are fully reliant on the investment proposed at Peterlee Leisure Centre and are a condition of grant from Sport England. Should the reception and changing facility works not go ahead at Peterlee we would not be in a position to drawdown the £500,000 awarded in respect of Chester-le-Street or Woodhouse Close Swimming Pools.
- 24 **Funding Implications:** The forecast cost of the redevelopment at the leisure centre, including library, reception and changing room works is £1.786 million. The capital funding for the scheme is set out overleaf :

	<b>Peterlee Project</b>
Tesco contribution	£846,000 (ring-fenced receipt)
Existing DCC Capital approval	£750,000
Real Town Centre Budget	£190,000
<b>Total</b>	<b>£1,786,000</b>

- 25 Following the award of £500,000 from Sport England for the two other leisure centres through the initiative previously mentioned, it was confirmed that the timeline for delivery of the capital works at Peterlee should mirror the award period concluding as early as possible in the financial year 18/19.
- 26 The £190,000 identified from the Town Centre Capital Programme relates to external works linking back to the bus station and to parking areas adjacent to the leisure centre. These works will ensure improved accessibility for both leisure centre and library users, enhancing direct links with the Bus Station and main retail area.
- 27 It is recognised that co-location could increase demand on the leisure centre carpark, and consideration is being given to enhance enforcement on the site, to discourage all day parking by non- leisure centre and library customers.
- 28 In order for the scheme to progress without delay, and ensure the grant conditions for the Sport England funding are met, the report seeks approval of an increase in the current £750,000 capital budget to £1.786 million in line with the funding streams highlighted above. This would substantially reduce the risk of losing the Sport England funding.
- 29 **Operational Issues:** It is envisaged that there will be some disruption to the library service between the period when the library needs to vacate the existing site, which provisionally has been agreed as the end of this calendar year, and the internal works are completed at the leisure centre.
- 30 Having assessed the initial programme of works, this could be a period of up to 9 months, due largely to issues associated with removing asbestos from the leisure centre ahead of any construction works commencing. These works will also affect the pool, with a pool closure of 8-12 weeks expected from early September 2017 until late autumn.
- 31 Once the old library becomes unavailable, arrangements will be made to extend opening hours at neighbouring Horden, Shotton and Blackhall Libraries (1.6, 2.4 and 2.7 miles respectively from Peterlee library), together

with additional community outreach programmes. Exact details of the additional opening hours and programmes will be developed in consultation with users.

- 32 Peterlee Leisure Centre is currently operated under contract to 1life a private sector leisure management company utilising a trust arrangement. A new three year contract was awarded in April 2017 in which provision for a library co-location was made. 1Life have, however, been very positive about the co-location recognising the additional footfall it will bring and the mutual benefits experienced for leisure and library services at Stanley and Newton Aycliffe.
- 33 Consultation and Communication: As the project moves forward we will keep local residents, the AAP, service users and staff informed of progress. In particular, we will highlight any proposed operational changes in good time to ensure residents have a chance to shape the way services are delivered in the future.

### **Recommendations and reasons**

34 Cabinet are recommended:

- (i) To agree to progress the project to relocate the library and facilitate the redevelopment of the former college site.
- (ii) To authorise the Corporate Director of Regeneration and Local Services to vary the original agreement with Tesco for the release of Tesco's obligation to build a new library in return for a financial contribution of £846,000 towards the Council's costs of relocation.
- (iii) To agree the re-provision of library services within Peterlee Leisure Centre.
- (iv) To agree to the increase in the capital budget to £1.786 million, financed from the current capital programme and from the Tesco contribution.
- (v) To note the transition implications associated with the library move which will include temporary library arrangements for a period of up to 9 months.

### **Background papers**

RIBA Stage 3 Design Report (November 2016, Technical Services/Atkins)  
Original agreement between Tesco and Durham County Council

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## **Appendix 1: Implications**

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**Finance** – £750,000 Capital Programme funding approved February 2017 and coded to project. Sport England grant funding confirmed matched to above. £190,000 funding for external infrastructure in Peterlee Town Centre Capital budget. £846,000 to be identified in 17/18 capital programme in anticipation of the Tesco funding being received.

**Staffing** – Library staff will require notification of change of workplace at least 12 weeks in advance

**Risk** –A risk plan will be developed as part of the overall project.

**Equality and Diversity/Public Sector Equality Duty** – An Equality Impact Assessment has been undertaken.

**Accommodation** –The current library accommodation is housed within a mothballed building which has been subject to vandalism and loss of utility. The proposals for relocation to the leisure centre, alongside other planned improvement works will help in sustaining service delivery, delivering accommodation cost savings and efficiencies in operation

**Crime and Disorder** -

**Human Rights** -

**Consultation** – Local members have been engaged in the options for re-location. A communication plan for all users and stakeholders is currently being developed as part of the project.

**Procurement** – None from this report

**Disability Issues** - DDA compliance works. The improvements to access to the existing leisure centre building have been designed following engagement with accessibility group.

**Legal Implications** – The original agreement which obliged Tesco to provide a new library next to the proposed new food-store needs to be varied to oblige them to pay to the Council an agreed figure in respect of the cost of re-providing the library facility within the leisure centre. Legal services have been engaged in undertaking the variation.