

**To the Chair and Members of Cabinet**

**Options for the future of Doncaster Central Library, Doncaster Museum, Art Gallery, Archives and Library Services for Schools.**

<b>Relevant Cabinet Member(s)</b>	<b>Wards Affected</b>	<b>Key Decision</b>
The Mayor of Doncaster, Portfolio Holders.	All	Yes

**EXECUTIVE SUMMARY**

1. A common feature of most successful, vibrant, large towns and cities, is access to high quality culture, heritage and learning services for local residents and businesses. This includes having effective community facilities, making good use of local heritage sites, and vitally, having a strong central hub for heritage, culture, learning and the arts.
2. A central hub of this kind delivers an important role, both in society and for the local economy. It provides a key asset for individuals and entrepreneurs, and for organisations such as schools, community groups, voluntary organisations and businesses. An effective central hub for culture and learning provides the necessary facilities and critical mass for increasing creativity, enabling more and better quality exhibits and enhanced services. A hub of this kind will support our growing economy and play an important role in the delivery of the urban centre masterplan, in which the town centre plays a vital role as the economic and cultural driver within the borough. Doncaster does not have a central library, archives or museum building that creates a vision for the borough, that adequately celebrates our history and that demonstrates our forward-looking aspirations and ambition.
3. The recommendation in this report is for Doncaster Council to allocate £14m capital finance to build a new, single, Central Library, Museum, Art Gallery and Archives for the Borough, using the space on the Girls' School site at Waterdale. If approved, the modern landmark building will be much more than the sum of its parts, and will deliver excellent standards in design and cultural services which will be of national quality, for local benefit. The new build proposal fits with the Council's vision and aspiration for the Borough as a great place to learn, live, do business, experience great art and culture, for preserving and celebrating its heritage, and as a place for a growing creative economy.
4. Key features of the new service and building would include:
  - A modern, high quality, integrated and improved heritage and culture service, with a focus on core literacies: reading, information, health

and digital literacy, in an environment of learning and creativity.

- Access to modern digital learning, which could incorporate technological advances such as 3D printing, virtual reality and coding facilities, and providing a digital learning centre and workspace for creative entrepreneurs.
  - The ability to display and engage residents in exhibits and collections not currently accessible to local people, such as the Conisbrough Court Rolls, Royal Borough Charters, and heritage collections celebrating Doncaster's proud history in railways, horseracing, mining and as a historic Roman town.
  - The ability to host temporary national collections, bringing more of the nations' cultural assets out of the major cities and to local people in their communities.
  - The opportunity to regularly rotate collections, to ensure the service can continuously provide new exhibits of interest and encourage, and increase, regular visits by local people and tourists,
  - An attractive space for commercial letting and / or franchises such as a café, retail space, and potentially commercial office space, which will also secure additional revenue to help pay for the running costs of the service.
5. Importantly, the service will not only provide better access to culture and heritage for local people, but help to encourage and facilitate more creative activity, and support our creative economy.
  6. The Mayor and Cabinet have previously expressed their preference that any new build incorporates and preserves the existing heritage frontage of the former Doncaster Girls School, if possible. This would be in keeping with the ambition for the building to enhance, showcase and celebrate Doncaster's history, and the building and the borough's role as places of learning and enterprise.
  7. The new build could include the existing heritage frontage of the school. In keeping some of the frontage of the school, this reduces the overall floor space by 280m<sup>2</sup> and will cost approximately £0.7m to achieve from within the project budget. A decision will be made, once the public have been consulted, regarding the maintenance of the heritage frontage to justify this cost. If there is, an option would be to encase it in glass, not only preserving its architectural features but truly making it part of the Doncaster collection. To encase the heritage frontage in this way, as demonstrated in Appendix 4, would cost an additional £0.85m outside of the current project budget. If further approved through consultation, the project team will work with national funding agencies to identify and secure the budget required to preserve this heritage landmark, in the way presented. If the funding is not secured, then an alternative way of preserving the frontage on the new build site will be developed, within the existing project budget.
  8. Doncaster currently hosts its central library and heritage services, borough

museum and archives facilities in four separate buildings at different locations within the borough: Doncaster Central Library, Waterdale; Doncaster Museum and Art Gallery, Chequer Road (the Museum building is proposed to be retained in the Council's ownership); Doncaster Archives, Balby; and Doncaster Schools Library Service, Barnby Dun. Whilst most of these facilities have provided good services over many years, they do not currently deliver the modern, high quality, accessible service which will be required to meet the future needs of local people and our economy, or deliver our aspirations for Doncaster and its urban centre. In addition, a number of the buildings do not currently offer a high quality environment and will require significant future investment to bring them up to standard, including to meet health and safety requirements, if the existing services are to be retained within them. A decision is therefore required to determine how these services will be provided in the future, which meets the aspirations and expectations of local people, and the needs of the borough.

9. The proposed new building's glass sides and open floorplans will attract small businesses to pay to use spaces in the building, raising revenue and supporting small business growth in the borough. Although the running costs of the new building are more than the running costs of the existing buildings, the building will make savings in other ways which will make the overall cost of one building less than the current overall costs of four buildings. As a worst case example, with no capital receipts from closing the current buildings in scope, and with no income from external funding agencies, the new building will cost no more than the current estate, whilst delivering on wide-ranging benefits for residents across Doncaster. Applications will be submitted to funding agencies with the aim of achieving £2.5 - £3m in 2018-19. Obtaining funding in this way will be crucial, as the Local Authority's Section 151 Officer will not sign off the project unless it is absolutely clear that funding is viable, realistic and achievable. Whilst prudential borrowing is available to underwrite the project; the Section 151 Officer is only willing to borrow knowing that the project meets the criteria, expectations and desired outcomes of national funding bodies.
10. Doncaster is world renowned for its rail, horse racing and Roman heritage; however the opportunity to showcase these to full effect has, although well managed given our building capacity to date, been limited, and there is so much more to be shared and celebrated. Looking forward, the arrival of high speed trains and the opening of the HS2 rail college later in the year, as well as the continued success of the St Leger, will provide further material in the future.
11. The new building and its services will create a net benefit alongside other developments in the area, such as CAST, the proposed University Technical College, and a potential post-16 education centre. The building will provide new and different ways for students from Multi-Academy Trusts to make, create and learn. Inside the building, creative and digital learning facilities will significantly increase visitor numbers, and new and diverse audiences will be able to use the building in modern and different ways. This will also lead to new income-generating opportunities. The new build will focus on supporting the local digital economy and skills for small businesses, entrepreneurs, and digital creativity for children and young people. Residents will be able to learn computer programming, app design and

coding, there will be 3D printing, introductory engineering skills, innovation areas to test business ideas, and the use of virtual reality applied to wide ranging forms of learning.

12. The new build will create a higher profile for reading in the borough. Working with partners on a Reading Strategy for the Borough, the building will be a central venue for the purposes of enjoying reading: for literacy, information and reading for pleasure, with its proven benefits to public health and wellbeing.
13. A high profile venue will attract authors and speakers of international reputation. It will significantly raise the quality of heritage and library events, bringing people in to attend from outside Doncaster, meaning that residents will not need to travel out from the Borough to see high quality speakers, events and exhibits, including potentially national and significant touring exhibitions which we have not been able to attract or accommodate to date.
14. Digital creativity and skills in the new build can be managed by local social enterprises and people with interests and expertise in digital learning, building on plans for curated digital and arts spaces using the Corn Exchange. The new build will be a hub for innovation in learning for the Borough. People will be able to learn about Doncaster's history through digital exhibits, re-enactments and displays in different media, for example, and then publish about their experiences using technology in the building. Enhanced engagement with unique objects in Doncaster's history will happen through various media, tapping into the many stories of local people that the objects represent; inspiring people and increasing residents' sense of community and place. Residents wanting to start up a business in the creative industries will be able to use space and resources to see their ideas flourish, using the new building as a home for their creative and digital business ideas, and from where their business products can grow.
15. Staff expertise will be supported and developed to reflect the core and new ways of working in the building. The wide-ranging success of volunteering in Doncaster Council's cultural buildings, which led to approximately 80,000 volunteer hours in 2012-16, will be blended back into the new build, advancing on the insights from these services over the last 5-6 years. This could be through, for example, community-led governance of the building, co-production of displays and events with the community, and volunteer roles which enhance the service. Residents will be able to contribute to the collections, and help people learn from the collections in different ways.
16. None of these benefits could be achieved across the current estate in scope, because of the age, condition and inadequacies of the buildings.
17. In progressing with the new build, at least three buildings will stop being used and demolished and / or sold. Between £0.3m to £0.51m in savings could be made from the Libraries and Heritage Services budget in 2020-21, because of the more efficient ways of working when providing these services in one place. Savings will be achieved through a number of reductions in spending made possible by the new build.
18. The new build will not be simply put a like-for-like replacement for the existing assets – it will be a building which transforms the provision of the Council's cultural assets and resources for public benefit in Doncaster.

19. The buildings in scope are all completely unfit for providing a service which meets current, modern needs. None of the four buildings in scope meet modern efficiency and environmental standards. None of the buildings in scope have received the level of capital investment required to bring them up to a modern standard in 50 years. There is evidence of the benefits to residents through other similar builds in the UK, and also commercial advantages – the Head of Libraries and Culture has commissioned a company to research and report on the skills, economic and wellbeing benefits for the public in Doncaster, ready to be reported for residents, elected members, partner organisations and funders by the end of July.
20. The recommended option for financing this project is by drawing down £10m from set aside one off financing resources (MRP), and a further £4m underwritten through prudential borrowing, paid back through the lifespan of the building by saving on revenue costs within libraries and heritage services at a rate of £0.51m per annum. [Note the proposed revenue savings are in Appendix 7 of this report]. This is a worst-case picture, as it is expected that in working with external funding organisations, such as Arts Council England and Heritage Lottery Fund, and other funders, that up to £2.5 - £3m would be invested from external funding agencies. This will reduce the borrowing cost and therefore the savings required. However, if necessary, the Project Team have demonstrated that it would be feasible to save £0.51m from Libraries and Heritage Services in 2020-21 because of efficiencies generated by a new build, if no funding was secured. This removes the risk of completely relying on capital receipts and external funding to bridge the gap between the £10m committed in principal by the Council, and £14m costs of delivering the project. Any income from the disposal of assets in this project will be ring-fenced to this project, to reduce any borrowing costs.
21. The running costs of the new building are estimated at £0.57m per annum. This is £0.307m more than the existing buildings. Additionally, borrowing £4m results in revenue costs of £0.203m per annum (which is including interest). In total, £0.51m of savings are needed to fund the ongoing costs of the new building. These savings have been identified by the Head of Service. The projected running costs of the new building include an estimated £0.3m in business rates; this will contribute to the Council's target of increasing business rates by £0.6m per annum from 2019/20.
22. The new build project will be mindful not to duplicate the great unique selling points of other suppliers of culture, arts and learning in the Borough. The new building will generate greater involvement and participation across the Borough's arts and culture assets. This approach of avoiding duplication will apply to the resources, events programming, and retail / commercial parts of the building.
23. If approved, the project will be able to start very quickly, using a pre-defined project plan, as it utilises the Scape procurement framework. Using this framework, the project team would work closely with Willmott Dixon and the architects, Bond Bryan, to ensure that costs, timescales and developments are routinely monitored and scrutinised. The design team, landscape team and environmental control teams are already in place. This is because the

Scape framework allowed for their procurement in RIBA stage 1 at no cost to the Council. The project is ready to go into RIBA stage 2, but now requires the capital finance to progress with the project.

24. The services in scope maintain storage facilities which are different to the Council's corporate storage requirements. All the buildings in scope have their own storage requirements at each site, which take up too much space individually, and could be merged at a considerable saving of space and cost to the Council. This will provide a better, more efficient and more cost-effective service to the public. The resources stored are in effect owned by the public of Doncaster, as taxpayers; officers working in these service areas maintain the management and oversight of the items kept in store. Whilst a number of different types of items in store can be substantially reduced, some resources cannot be disposed of, due to their benefit to the public of Doncaster, and / or because of a statutory requirement for the Council to have these resources maintained. Some types of items in store require space for storage growth, such as specific types of Archives, and archaeological returns from local development sites. Digitisation of Archives and items in the Museums' stores will increase awareness of and access to many of these resources, but not necessarily as a replacement to the original artefact or resource. Therefore, an ongoing storage facility will be required for storing, maintaining and retrieving resources which will not be accommodated within the new build. This is because it would be a very expensive way of making use of the new building, and because the floor space should be prioritised for the public to use, not for staff work areas and stores.

25. For the purpose of this report and the project work leading up to it, the building is referred to as Doncaster Culture and Learning Centre. This is a project working title and will not be the final name for the building.

## **EXEMPT REPORT**

26. There are a number of financial and commercial matters contained within Appendices 6 and 7 of this report which are commercially sensitive information.

27. Appendices 6 and 7 are NOT for publication because these Appendices contain exempt information within Paragraph 3 of Part 1 of Schedule 12 (a) of the Local Government Act 1972 (as amended) information relating to the financial or business affairs of any particular person (including the authority holding that information).

## **RECOMMENDATIONS**

28. Cabinet will be asked to approve the following:

- a) Delivery of the £14m Doncaster Culture and Learning Centre (DCLC – a working title) Project, to be funded as follows;
  - £10m from MRP underspends
  - Any shortfall in funding from asset disposals and/or external grants is to be funded by using £4m of borrowing from the Council's Investment & Modernisation Fund (IMF).

- b) The DCLC Project is to be delivered on the site of the former Girls School located at Chequer Road/Waterdale, incorporating the façade of the existing building.
- c) Note that delivery of the DCLC Project will provide an opportunity for up to £0.51m revenue savings to be made for the Libraries and Heritage Services Budget from 2020/21, by running a more efficient, joined-up service for the public. The exact extent of these revenue savings is to be determined as the new model for Library and Heritage Services is developed with the DCLC Project.
- d) Delegate authority to the Director of People, and the Chief Financial Officer, in consultation with the Cabinet Portfolio Holder for Public Health, Leisure and Culture, to negotiate and enter into funding agreements with funding organisations (such as Arts Council England and Heritage Lottery Fund) to secure financial support for the new build project.
- e) Delegate authority to the director of regeneration and environment and Chief Financial Officer, in consultation with the Cabinet Portfolio Holder for Public Health, Leisure and Culture, to negotiate and enter into contract for the construction of the DCLC project. Obtaining funding in this way will be crucial, as the local authority's Section 151 officer will not sign off the project unless it is absolutely clear that funding is viable, realistic and achievable. Whilst prudential borrowing is available to underwrite the project; the Section 151 officer is only willing to borrow knowing that the project meets the criteria, expectations and desired outcomes of national funding bodies.
- f) The existing Museum on Chequer Road to be retained for a period of time as an interim measure, and used mainly by Heritage Services for 'back of house' functions, including heritage storage, and access to heritage objects for researchers. Doncaster's Heritage Services has ongoing and statutory storage requirements, and whilst a robust storage reduction plan will be in place as part of this project, a storage facility will be required of sufficient standards and quality in future. A commercial venue is likely to be significantly more expensive due to the environmental controls and access costs, and there are no other assets in the Council's portfolio which meet the requirements described in Appendix 3. By taking out the majority of storage requirements from the floor space of the new build, this frees up space for public use and commercial letting, which in turn will increase usage and income.
- g) Further IMF borrowing of £0.1m to undertake essential building condition works at the Museum building to maintain it as an interim storage facility.
- h) Disposal of the following buildings, and ring fence capital receipt to fund the DCLC Project:
  - Central Library, Waterdale.
  - Doncaster Archives, King Edward Road, Balby.
  - Library Services for schools, Top Road, Barnby Dun (insofar as the site is not currently subject a community lease).
- i) Add the project to the Council's Capital Programme, to be managed by the Director of Regeneration and Environment.
- j) Virement of £4.1m from the Finance & Corporate Services Capital Programme, which contains the Investment & Modernisation Fund allocation, into the Regeneration & Environment Capital Programme, where this scheme will be delivered and monitored.

## WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

29. The recommendation in this report will lead to the building and delivery of a new Central Library, Museum, Archives and Art Gallery for the residents of Doncaster, in one brand new building. A new build can generate up to £0.51m in revenue savings from Libraries and Heritage Services, because of new and efficient ways of working inside the building. Three of four old and unfit-for purpose buildings could be demolished, with their plots sold for a capital receipt and used for other modern purposes (e.g. retail or residential, depending on the site). The four buildings are: Doncaster Central Library, Doncaster Archives in Balby, Doncaster Museum and Art Gallery on Chequer Road, and Library Services for Schools at Top Road, Barnby Dun. There is no other option which will achieve this scale of revenue savings for the Local Authority and deliver a better, modern, high-value, transformative cultural and heritage service for residents across the borough.
30. There are also large benefits to be achieved by providing a much better place for formal and informal learning, creativity and skills in the borough, such as:
- Providing a modern venue for people to access reading materials for reading for pleasure and learning, which will bring in authors with an international profile, and enable library services to run literacy events of a national standard. The new build will create a higher profile for reading in the borough, and working with partners on a reading strategy for the borough, it will be a focal point for the purposes of enjoying reading for literacy, information and pleasure, with reading's proven benefits to public health and wellbeing.
  - Unlocking much of the borough's rich heritage which is currently behind closed doors, increasing public awareness of Doncaster's heritage, and therefore learning from heritage and generating more pride in Doncaster's history, and more interaction and learning from heritage resources. In the new build, this will often be in a digital way. The new build will increase, through the promotion of Doncaster's heritage, community cohesiveness, improved educational attainment and benefits relating to residents' health and wellbeing.
  - Creating a cultural venue which will showcase important heritage and literacy events programmes such as Black History Month, Local History Month, Disability Awareness Day, Dementia Awareness Week, and Get Online Week, for example, to a standard of national quality for local benefit, using the resources unlocked in the new building and complimenting the offer of CAST, DARTS and other cultural providers in Doncaster, making the best use of reading, art and heritage resources.
  - A new build provides the opportunity to secure Government Indemnity Insurance for the Council's gallery spaces, which in turn enables for the first time the display of national and international collections in Doncaster's Civic Art Galleries, bringing in new audiences from across the region, and providing new and improved learning opportunities and experiences for Doncaster's residents. Residents won't have to go elsewhere to see exhibitions of national importance, and the service will punch above its

weight, starting to compete with cultural offers in Sheffield, Leeds, York, Hull and elsewhere, whilst also maintaining its important community offer.

- The one new build for libraries and heritage in Doncaster town centre will also provide an opportunity for the building to be co-produced and co-managed with community involvement. Doncaster Libraries and Doncaster Heritage Services will be researching opportunities for alternative service delivery models between 2017-19, and the new build could be a focal point for a redesigned service delivery model for libraries and heritage in future.

## **BACKGROUND**

31. The Local Authority has developed over the previous 18 months an ambition to create a new Central Library, Museum, Archives and Art Gallery for Doncaster, which will bring together resources and services for the public and stakeholders which currently sit within three buildings in Doncaster, along with a separate storage and office facility in Barnby Dun. The Local Authority is prepared to allocate and invest significant capital spend into the project, supported by investment from external funding agencies. The ambition is to create a new, innovative, up-to-date combined building, with a town centre plot identified for this purpose, adjacent to Doncaster Civic Offices. The Project Development Group within the Local Authority expect the RIBA2 development to begin from July-August 2017, with the new building opened to the public by mid-late 2019.
32. There are a number of services and buildings in scope of this project and its recommendation which provide benefits to Doncaster's residents:
  - a) Doncaster Museum and Art Gallery, Chequer Road, Doncaster.
  - b) Doncaster Central Library, Waterdale, Doncaster.
  - c) Library Services for Schools [a Traded Service] based at Top Road, Barnby Dun.
  - d) Doncaster Archives, King Edward Road, Balby.
33. The main issue for the current portfolio of buildings in scope for this project is that they are no longer fit for purpose. Doncaster Museum is a large building which it is difficult to use in a modern and flexible way. It cannot be adapted internally for public benefit, due to the structure and condition of the building. It has little scope for new and innovative displays to engage and inspire audiences, and it makes it more difficult to obtain and keep Government Indemnity Insurance for larger scale exhibitions of national importance. Doncaster Archives is of a state that it is near to enforced closure due to health and safety concerns presented by the dilapidation of the building, and its location and condition mean that usage is much lower than it should be. The Library Service for Schools building in Barnby Dun is 50% unused, expensive to maintain, and with its own repair requirements if kept in use. The Central Library building does not meet the needs of its customers as effectively and efficiently as it could, due to the age and condition of the building. The fabric and condition of the building is of poor quality. The building was not designed as a library, and therefore does not have design features which would encourage residents and visitors to discover and explore the learning and cultural resources within it. There are no external architectural features, internal design features or design statements of the library or the archives buildings which encourage use. None of the four buildings in scope meet modern

efficiency and environmental standards. All the buildings in scope have their own storage requirements on site which take up too much space individually, and could be merged at a considerable saving of space and cost to the Local Authority, at the same time providing a better, more efficient and more cost-effective service to the public.

### **Benefits:**

34. A full benefits analysis is being produced by an external agency through June - July 2017 to share with residents, elected members and funding agencies in 2017-18. It is expected that the new build will deliver on wide-ranging benefits for residents from across the Borough. In 2016-17, 20,200 visits were made to the Central Library, Museum and Archives on average every month, and these venues provide 420 volunteer hours on average every month. The combined usage effect will lead to a predicted 40% growth in visits and volunteering. There will be much better resource management and joined up working across Libraries and Heritage Services teams within the one building, integrated with community involvement. Digital creativity and skills in the new build can be managed by local social enterprises and people with interests and expertise in digital learning, building on plans for curated digital and arts spaces using the Corn Exchange. The new build will be a hub for innovation in learning for the Borough.

35. There will be a stop to the expensive, inefficient, current asset portfolio, which has long been unable to make best use of opportunities for residents towards their learning, skills and creative needs due to the limitations of these buildings. There will be overall reduced revenue running costs and significant opportunities for increasing income, delivering up to £0.51m savings to pay for the cost of borrowing used to underwrite the project, by 2020-21. This is a worst-case financial forecast, and further revenue savings which make the project much better than cost neutral are expected.

36. The new build will enhance the local skills and creativity economy, especially focussing on the local creative economy, supporting Doncaster's residents at all stages of life through high quality learning opportunities and resources.

37. The new build will directly provide benefits to residents' quality of life and wellbeing, and as one part of Doncaster's town centre master-planning and the ambitions of One Doncaster and Growing Doncaster Together. The new build will be of a quality consistent with the town centre masterplan, and consistent with the whole town centre regeneration. The new build will be an important part of cultural and learning renaissance for Doncaster's residents and visitors of all ages, working with key partners including Partners in Learning, CAST, DARTS, Higher Rhythm, the Chamber of Commerce and DCLT, to enhance the Borough's overall cultural offer. The new build will showcase its unique selling points as a free-at-point of access creative and cultural and creative hub for the borough, and it will underpin greater participation across all culture and arts assets borough-wide. The new build project will not duplicate the great unique selling points of other providers of culture, arts, heritage and learning in the borough. This approach of avoiding duplication will be applied to the resources, events programming, and retail / commercial parts of the building. The new build will show how an improved cultural offer can be a catalyst for regeneration, can attract businesses and residents to Doncaster, by supporting growth in skills, learning and cultural activity.

38. The culture and learning centre can start an approach of 'Get Doncaster Creating' in future. The new build will be accessible and welcoming to all, but with targeted programmes of activity. The venue will contribute in a significant way to raising the borough's profile as a regional centre for the creative economy. The venue will be at the centre of excellence for creative and digital growth in the borough, especially for schools and academies, small businesses, social enterprises and self-employed residents. The building will be an investment for the future of the borough's children and young people, contributing to increased literacy levels and supporting a further culture of reading in Doncaster, with reading's proven interconnections with good health and economic achievement in adulthood. The new build will contribute significantly to health and wellbeing within the borough, through increased engagement: museums, libraries and galleries all score highly for both raising levels of happiness, reducing loneliness and social isolation, and reducing poor health. The new build will cater for the borough's most disadvantaged residents, and will also make an important contribution to increasing the heritage tourism profile and spend in the borough.

39. The venue will be sustainable, efficient, multicultural and flexible in its use. The venue will transform how our cultural services enable independent living, and personalised learning. The new build will encourage exploration, imagination, new interests, increasing aspirations, and then also within wider communities, with the building as a catalyst for heritage and literacy development across the borough, for all communities. The resources and spaces in the building will underpin four types of literacy: reading, health, digital and information literacy. Heritage collections which have not often been seen before by Doncaster's residents, held in store, will become centrepieces in the building, as will high quality works of public art by local, regional and national artists. Residents will be as easily able to borrow a book or e-book, or download music, or create great art, or learn how a locomotive works by seeing models in the building. It is this mixed and blended approach to learning which this building and its services will promote, generating new levels of aspirations for the borough's culture and heritage, and inspiring residents.

40. The main new ways in which the building will work include:

- An emphasis on creativity, adaptability and flexibility.
- High quality provision of new and flexible forms of learning, and provision of high quality space for cultural and educational partners to increase audience reach.
- an emphasis on commercialisation, generating new forms of income through letting out spaces at commercial rates, a retail offer, franchised café spaces, a high quality and effectively-priced events programme.
- Innovation in learning and skills for the public through digital access.
- co-production and curation of innovative, modern digital labs and resources where residents can create art, robotics, music, books, apps – anything which encourages the four literacies.
- Working with local social enterprises, services and resources which are very open, inclusive, and easy to access and well understood by Doncaster's residents, as the resources help everyone to reach their potential.
- Effective service marketing and engagement, and increased inclusivity, made possible because of the new build.
- Service excellence through a well-developed, resilient and modern workforce integrating elements of community governance and co-production alongside professional management, curatorial and front-line expertise.

- And a cultural, learning and heritage service working as a place-shaper, able to contribute (and show its contribution) to Doncaster's residents for their economic, academic and health-based benefits from using the services and resources made available by the new build, and for wider social values and good.
41. The new build will work to guidelines of best practice demonstrated by the Leadership for Libraries Taskforce, the Chartered Institute of Library and Information Professionals, the Society of Chief Librarian's Universal Offers, the Arts Council England's Great Art and Culture for Everyone, Heritage Lottery Fund guidance, best practice from the Museums Association and its Museums Change Lives vision for increasing the social impact of Museums, and the Archives and Records Association.

### **Project Feasibility**

42. To ensure a good understanding of the construction of a facility, the Project Team engaged Willmott Dixon Construction to produce a feasibility study. Willmott Dixon in turn appointed a professional team of architects, cost consultants and engineers to provide input into the process. In consultation with a range of stakeholders, the attached Feasibility Study [Appendix 1] was prepared. This study finds that retention of the existing façade will be possible – and through later stages of design there will be a focus on considering how the retained heritage frontage, or elements of the frontage, is sensitively incorporated into the new building. A design panel group, and an elected members' design group, will ensure representations are heard and the best results are achieved for incorporating the heritage frontage of the former Girls School into the new build. To encase the heritage frontage in this way, as demonstrated in Appendix 4, would cost an additional £0.85m outside of the current project budget. If further approved through consultation, the project team will work with national funding agencies to identify and secure the budget required to preserve this heritage landmark, in the way presented. If the funding is not secured, then an alternative way of preserving the frontage on the new build site will be developed, within the existing project budget. If approved, as work around the building develops, timber hoardings with vinyl-wrap artwork can be put in place around the site, and on this hoarding artwork could show images of the proposed build as it develops, and / or works of publically-created art complimenting the building programme.

43. Delivery of a modern service will require much less space than currently occupied, up to 50% less, mainly due to the amount of space currently used for offices and stores which are not publically accessible, and it will be possible to deliver this in the spaces proposed – although there will be insufficient room for the full storage requirements. As stated above, it is proposed to address this by utilising the existing Museum building.

44. If approved, the project will be able to kick-start very quickly, using a pre-defined project plan, as it utilises the Scape procurement framework. Using this framework, the project team will work closely with Willmott Dixon and the architects, Bond Bryan, to ensure that costs, timescales and developments are routinely monitored and scrutinised. The design team, landscape team and environmental control teams are already in place. This is because the as the Scape framework allowed for enables their procurement in RIBA stage 1 their procurement at no cost to the Council. The project is ready to go into RIBA stage 2,

but now requires the capital finance allocation to progress with the project.

45. The Former Girls' School site has been identified previously, through appropriate consultations and investigation, as a suitable site for the one new build both spatially, and in terms of location, fitting into the wider cultural corridor from Doncaster town centre and station, through Waterdale shopping centre, to the cultural and civic quarter.

46. The project team would report to Overview and Scrutiny and appropriate governance channels within the Council and Team Doncaster during 2017-18 and beyond, as the project progresses.

47. As part of the valuation considerations, a number of issues became known that may affect the decision to dispose of or retain individual properties. These include:

a) Doncaster Archives – no issues identified. **Recommend that the property is disposed of.**

b) Barnby Dun School – [parts occupied by the Library Service]. **Recommended that only the areas of the site used by the Library Service be disposed of, ensuring the ongoing viability of the adjacent community centre.** A re-evaluation of the site shows that the cleared site has an expected value of £0.26m.

c) Central Library – no issues identified. **Recommend that the property is disposed of.**

d) Doncaster Museum – Bespoke nature of the building will limit redevelopment opportunities. It is also noted that the proposed new DCLC building will not be large enough to accommodate the full storage requirements of the Heritage Services. The storage requirements of the service are specialist in nature (including temperature and humidity control). **Recommend that the Council retain the Museum building for use as a combined Museum Library Storage and Research Access Facility, and Centre for Heritage Volunteers.** If the property is retained, it is also recommended that identified essential lighting, fire detection and re-wiring works be progressed at a cost of £0.1m. If an improved option is available for stores in future, and the Museum property is not used for this purpose, further consideration should be given to how the Museum site could be developed to best effect for education and leisure or residential use.

### **External Grant Funding**

48. The Service is progressing discussions with a range of funders, including Arts Council England and Heritage Lottery Fund, and it is projected that grant support could be to the amount of between £2.5 - £3m. Obtaining funding in this way will be crucial, as the Local Authority's Section 151 Officer will not sign off the project unless it is absolutely clear that funding is viable, realistic and achievable. Whilst prudential borrowing is available to underwrite the project; the Section 151 Officer is only willing to borrow knowing that the project meets the criteria, expectations and desired outcomes of national funding bodies.

49. However, securing external grant funding for heritage and cultural projects can take a long time to conclude and must dovetail with the project schedule. The option to delay the timing of the delivery of the DCLC project while grant funding is secured is not recommended as construction inflation will reduce the spending power of the project budget and possibly delay the building being opened. Project outlines for funders will therefore commence immediately, if the recommended option is agreed to.

### **Long Term Revenue Savings and Gap Funding**

50. Capital receipts from the disposal of existing buildings cannot be generated until after the completion of the DCLC Project is completed and existing properties decanted. Also, the value of receipts suggested is established using current benchmark data, and cannot be guaranteed. Furthermore the timing of grant assistance is not likely to materialise until the later stages of construction of the DCLC.

51. As such it is prudent to plan for how the project funding will be cash-flowed and have a mitigation plan if the levels of capital receipt and funding are ultimately not as expected. It is proposed that at the outset of the project, the £4m identified to be funded from capital receipts and grant support be gap funded using prudential borrowing funded from efficiency saving made by the Service. As the expected capital income is received it will then be possible to reduce the revenue savings target imposed on the service for. The savings model is a worst-case scenario with no allocation from funders or capital receipt, to demonstrate the financial viability of the project. However, if external funding was not achieved, , then it could make the difference in the quality and scope of some of the resources within the building, such as a reduction in book stock expenditure, for example, or an increased requirement to deploy volunteers. By attracting external funding and reducing the savings target, these further steps are less likely to be required for consideration.

### **Storage Requirements**

52. Heritage Services maintain storage facilities which are different to the Council's corporate storage requirements. The resources stored are in effect owned by the public of Doncaster, as taxpayers, and which officers in these services maintain oversight. Some resources cannot be disposed of due to their benefit to the public of Doncaster, and / or because of a statutory requirement for the Council to have these resources maintained, and some areas expect growth, such as Archives, and archaeological returns from local development sites). Digitisation programmes will improve access to and usage of many of these resources, but not necessarily as a replacement to the original artefact or resource. Therefore, an ongoing storage facility will be required for storing, maintaining and retrieving resources which will not be accommodated within the new build (due to insufficient space, but also because this would be a very high-cost way of making use of the primary purpose of the building, with public floor space much more for public use than the current assets). The external storage requirements for the new build project are detailed in Appendix 3. The recommended use of the Museum for this purpose would be a sufficient interim solution while the Head of Service develops further opportunities for cross-Local Authority, regional storage partnerships. If, ultimately, storage can be maintained through a regional partnership with other Local Authorities, it will release the Museum site for a residential development.

## OPTIONS CONSIDERED

53. The new build incorporating the Central Library, Doncaster Archives, Doncaster Museum, the KOYLI Museum, and Doncaster Art Gallery, is the only option which will:

- Provide high front of house visibility - often with an emphasis on large atrium-style welcome and high turnover spaces, and often utilising natural light through substantial window space, the new build will sell its services in the first instance through the prominence and transparency of the building.
- Provide a clear emphasis on front of house services; back office functionality, and therefore spatial requirement, is significantly stripped. Modern public cultural buildings such as museums and libraries emphasise the ownership of the resource and space by the public, with an emphasis on *co-creation* with residents, rather than traditional *curation* by staff.
- Provision for a significant emphasis on the deployment of up-to-date technology: self-service, self-publishing tools, digital skills tools, Wi-Fi, wireless printing, self-service printing, and use of tablet / mobile devices to deliver services.
- The option to provide space for commercial purposes, for small businesses and social enterprises, for example. The building design is specifically set to allow for an additional floor for commercial office usage. The feasibility of commercial office space on an additional floor is being explored, and could be incorporated into the project, which could be a freehold when considering the market. Viability will depend on capital being less than the commercial yield.
- Significant performance spaces for cultural activity, focussed on bringing the best authors, speakers and practitioners to Doncaster, as well as celebrating local writing talent and development; also used for artistic, cultural and business-orientated. New cultural buildings become a beacon, showcasing the best talent and resources from around the country.

54. Increased cultural capital, including showcased heritage collections in visible, high-specification display areas, bringing the jewels in Doncaster's heritage to the forefront of public awareness in safe and controlled, attractive environments. For the first time Doncaster's residents will be able to see in one place the Danum Shield (c. 50-100 A.D), our Viking brooches (860-900 A.D) Doncaster's First Borough Charter from 1194, our Civil War coin hoard from 1640s, and the Doncaster Gold Cup, 1779. This would be alongside great art of a national standard and a specific centrepiece celebrating the borough's rail heritage. The library will be a gateway to this heritage, with the Archives and Art Gallery also connecting into the wider cultural, skills and learning offer. The building will deliver to high standards of environmental efficiency, utilising options such as grey water, solar energy, and efficient systems throughout, achieving BREEAM Very Good status, with an ambition to achieve BREEAM Excellent.

55. ICT and building infrastructures including networking and electricity supplies will be as flexible as possible and provide a future-proofed approach to building

design and adaptability, working closely with teams from the Council's ICT section, Corporate Procurement and appropriate suppliers. Forward-looking design statements of excellent spaces and resources targeting: children of all ages and parents / carers; business communities, particularly creatives, entrepreneurs and SMEs; all readers of any age and demographic; residents and visitors accessing the cultural resource in a high quality environment; and the Borough's informal and formal learners unlocking the information and learning resource potential of the Central Library and Museum. The spaces within the building will be interactive and interchangeable; visitors who are there to enjoy a museum event will also be aware of the library, and vice versa.

56. When assessing the available building stock currently within the Council's portfolio, that there is no existing vacant premises which meet this vision. The new build is therefore the only proposal put forward. Also, the cultural and heritage offer in Doncaster should align with the economic offer; the cultural offer in other major towns and cities which is more developed than Doncaster's brings new residents to live in the area, attracted by the local cultural offer alongside the jobs market, housing market, schools offer, and skills and learning opportunities, and the new build project would ensure alignment with these development area to achieve a building which is right for Doncaster's residents and visitors, working to best effect to meet the corporate and borough priorities.

## **REASONS FOR RECOMMENDED OPTION**

57. The recommended option is the only option which will release revenue savings of between £0.3m - £0.51m from these cultural assets, because of the new ways of working a new build would facilitate. The higher savings amount applies if external funding and capital receipts are not achieved.

58. The recommended option is the only option which would decommission fully at least three, if not four, of the old and unfit-for purpose buildings within the libraries and heritage services estate, with their plots sold for a capital receipt and used for other beneficial purposes (e.g. retail / residential, depending on the site).

59. The recommended option is the only option which will enable the large civic and cultural benefits achieved by providing a much better place for informal learning in the borough, including:

- An up to date venue for people to access reading materials for reading for pleasure and learning, which will bring in authors of national profile, and enable library services to run literacy events of national quality.
- Unlocking much of the borough's rich heritage capital which is currently behind closed doors, increasing public awareness of and engagement with Doncaster's heritage.
- Creating a cultural venue which will showcase important national events programmes such as Black History Month, Local History Month, Disability Awareness Day, Dementia Awareness Week, Get Online Week, for example, to a standard of national quality for local benefit, using the resources unlocked in the one new building and complimenting the offer of other cultural providers in Doncaster, using reading, art and heritage resources.
- Government indemnity insurance for the Council's gallery spaces, for the display of national and international collections in Doncaster's Art Galleries.

## IMPACT ON THE COUNCIL'S KEY OUTCOMES

	<b>60. Outcomes</b>	<b>Implications</b>
	<p>All people in Doncaster benefit from a thriving and resilient economy.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Creating Jobs and Housing</i></li> <li>• <i>Mayoral Priority: Be a strong voice for our veterans</i></li> <li>• <i>Mayoral Priority: Protecting Doncaster's vital services</i></li> </ul>	<p>Using libraries and museums leads to improved skills and knowledge for local residents, which improves residents chances of applying for higher paid, higher skilled jobs in future. New build libraries and museums increase aspirations for residents, through the improved showcasing of resources, telling the story of Doncaster through its heritage and improving literacy and wellbeing through reading, for example. Greater aspirations leads people to want to develop their skills; improved skills leads to people applying for better paid jobs, and supports social mobility.</p>
	<p>People live safe, healthy, active and independent lives.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Safeguarding our Communities</i></li> <li>• <i>Mayoral Priority: Bringing down the cost of living</i></li> </ul>	<p>Many residents use libraries and heritage services to understand the world around them and improve their lives, whether through seeing cultural artefacts and resources, reading, learning informally, participating in events relating to heritage, reading and culture. The benefits of participating in this way have proven positive impacts on wellbeing for residents. Libraries and Heritage Services both encourage and support healthy participation and activity, whether in the form of health literacy in libraries, for example, or the use of resources in museums to aide reminiscence and memory for residents living with dementia. Libraries and heritage services support residents with various health and wellbeing needs, and carers, through events programming and digital skills / information literacy support. This is often at no cost to residents directly. Volunteering in these services is proven to lead to employment for volunteers who have been out of work. Use of libraries and museums helps children and young people to learn to think independently and gain new perspectives, which enhance skills and learning outcomes, but which can also be applied at any age of life for Doncaster's residents.</p>
	<p>People in Doncaster benefit from a high quality built and natural</p>	<p>More residents will benefit from the one new build, with its higher profile</p>

	<p>environment.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Creating Jobs and Housing</i></li> <li>• <i>Mayoral Priority: Safeguarding our Communities</i></li> <li>• <i>Mayoral Priority: Bringing down the cost of living</i></li> </ul>	<p>and higher quality design and services than anything currently on offer from Doncaster's Libraries and Heritage Services. It would be the most significant investment in Doncaster's library and heritage provision for over a generation. Through improved awareness, access to and usage of the library, museum, archives and art gallery, more residents will benefit from the learning and skills opportunities provided in the building, the cultural programming focussing on literacy and heritage, and this will support community cohesion and cultural cohesion within the borough. The new build will be a source of civic pride and identity for Doncaster's residents, which is unachievable from libraries and heritage service's current portfolio of buildings in the same way or to the same extent.</p>
	<p>All families thrive.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Protecting Doncaster's vital services</i></li> </ul>	<p>Libraries and Heritage Services tailor programmes of activity, and resources, to audiences which may need these most, but fundamentally these services are free at the point of access to Doncaster's residents, and therefore any resident from across the borough should be able to make access and use of these services, to their own personal benefit, and to the benefit of communities (whether geographical communities or communities of practice). The services in scope already support residents from age 0 (e.g. BookStart provision) to 99+ (the first e-book loaned in Doncaster Libraries was to a 99 year old resident). The services work with various partners to ensure that services are as accessible as possible, e.g. Doncaster Dementia Alliance, the Civic Trust, DICE, The Partially Sighted Society etc. In this way, these services work to ensure that resources and facilities are open and accessible to all, and for all ages, so that families, children and young people across Doncaster thrive and fulfil their full potential by using the informal learning resources which belong to the people of Doncaster.</p>
	<p>Council services are modern and value for money.</p>	<p>The new build delivers on value for money for the people of Doncaster. The services will be able to reduce their budgets by up to £0.35m, dependent on levels of funding</p>

		<p>achieved. The disposal of 3-4 assets will remove the inefficient running costs of these sites, and lead to better utilisation of these sites, e.g. residential / retail. The service provision will be of a better quality because of the new build environment – through increased use of technology, and the use of flexible spaces to display library, museum, and art gallery resources, residents' access to resources will be much more efficient and provide better value for money, too.</p>
	<p>Working with our partners we will provide strong leadership and governance.</p>	<p>Libraries and Heritage Services have demonstrated strong leadership and governance in the past and up to the present date in various ways, which should give confidence to decision makers and stakeholders that this decision will be managed with the responsibility, quality assurance, scrutiny and resourcefulness the people of Doncaster deserve and should expect.</p> <p>Examples of strong partnership working, leadership and governance include:</p> <ul style="list-style-type: none"> <li>• £5m Heritage Lottery Funds [of a £7m project] for the restoration of Cusworth Hall and Park in 2006.</li> <li>• The long term project management of Doncaster 1914-18, a £1m HLF-funded project.</li> <li>• The effective transition and growth of community managed libraries, ahead of the national trend in community managed libraries.</li> <li>• The creation of a new Creative and Culture Strategy for Doncaster, working with partners from across Team Doncaster and the wider cultural sector within Doncaster</li> <li>• The creation of a Heritage strategy and Heritage Forum for Doncaster, the first of its kind in Doncaster, aiming to increase Doncaster's profile on the RSA Heritage index and preserving and promoting heritage to residents across the borough.</li> <li>• The management of savings from revenue budgets of £2m from libraries and heritage services budgets between 2011-2016.</li> </ul>

## RISKS AND ASSUMPTIONS

ID	61. Issue	Detail/implication
1	Should the Council require further savings from libraries and heritage services before 2020-21, as per the £0.1m provided in 16-17; and £2m achieved between 2011-16, this may impact on the service's ability to achieve the £0.51m saving target.	The £0.51m revenue saving being offered up is dependent on delivery of the new build. Any other savings requirements between 2017 and 2020 will have to be managed within budget, with any potential exceptions being made clear as part of the budget setting process.
2	Risk that there will be a perception that the £0.51m savings can be achieved without the new one building.	Mitigated through clear detailing of how the revenue savings will be made, and why it is because of the new building that these savings are made possible, e.g. through more use of digital stock (rather than printed resources), which is currently an emerging market whereas usage could be significantly increased, at reduced costs. Marketing and access would be significantly more efficient and effective through the deployment of appropriate hardware features in the new build.
3	Risk of disposals not achieving capital receipt estimates.	Mitigated by the revenue savings model presented.
4	Grant(s) into the budget not secured yet	Feasibility assumes £14m budget, including originally a £1.4m external grant. Discussions with grant funders at very early stage, so funding not yet secured. This will be mitigated by prudential borrowing to cover the gap, paid back by up to £0.51m savings in the revenue model, with funding coming in at a later stage in the project which may reduce the saving requirements. More work with the funding agencies is required to align the project timescales with funding allocation timescales. Also considered that regional heritage applications may be more secure / less-competitive than a national bid. Currently, regional bids are capped at £2m, although this may be revised in future years to £1.4m.
5	Value of fit-out costs.	Project cost includes fit-out. This bespoke activity is an unknown quantity as it goes hand in hand with service modernisation. Cost estimates based on benchmark fit-out costs of similar facilities.
6	Storage/disposal of museum/archive artefacts not housed in new build.	Overall reduction in service floor space in DCLC by c. 50%. Service modernisation required to fit into reduced space, however will result in artefacts not housed in new build. Proposed to retain existing Museum building as a heritage store and research facility.
7	Retain/demolish existing Girls School frontage.	Mitigated by including a recommendation in this report of the potential to retain the heritage frontage as integral to the project. The loss of approx. 280m <sup>2</sup> floor space to fund retention of frontage (approximately the size of the Council Chamber) is mitigated through effective internal designs, and provides balance to a potential adverse public reaction to demolition of the frontage. But the quantity and effect of any adverse reaction to removing the heritage frontage should be evidenced and weighted.
8	Doing nothing, not following the recommendation of this report, or reverting back to consideration of options previously discounted (highlighted in section 6 of this report),	In doing nothing, or in accepting one of the options previously discounted, the Council would not be in a position to receive the savings and efficiencies that a new build would deliver on; there would be no opportunity for improving

	leading to further delay and instability in the project.	libraries and heritage services for the benefit of residents in Doncaster; releasing the assets in scope for disposal would be less efficiently and effectively achieved, nor the benefits of using the land for resale as property / retail purposes, for example.
9	Construction inflation, currently at c.3.5%	Delaying project will reduce the size/quality of the building the Council can procure with its budget. Proposed to progress project as soon as practicable.
10	Lack of certainty in future business rates for the building, meaning that current estimates may fall short in the financial model.	Mitigated by investigating potential costs at this stage as far as possible, and allocating budget within the revenue model accordingly. Starting at £0.3m estimate, though this may need to be revised during the project lifespan.
11	Separate capital funding (external funding) will be required to clean Archival material which has been damaged by spores at the current site.	Obtained through a separate external funding programme.
13	Project design does not meet expectations of funders, whose funding provision then becomes incompatible with the project.	Managed through close working with the funders, to ensure the project development meets the funding agencies' requirements. Regular project meetings between the project team and funding case workers.
14	New building footprint too small to accommodate realistic service provision.	This was one reason why other options have been discounted previously (e.g. library into existing museum). The Head of Service has assessed current public floor space and made calculations on how much future floor space is required if most current back office functionality is stripped out, large amounts of storage, and where floor space can be consolidated and reduced by having a shared usage building.
15	The integration of library, museum, archives and art gallery is unique – there are limited comparators to benchmark against. There must be confidence in both the building design and the ability of the services to work within the terms of design.	Mitigated by ongoing review and input by the project team, and studying comparators where available, learning from peers in the sector.
16	Income generation target within the building is not met, leading to a revenue shortfall.	Mitigated through commercial business planning, merchandising, product placement and other forms of new income streams – joined up public giving, philanthropy, sponsorship etc., none of which are tapped into at this point in time.
17	Effective consultation and engagement management with residents and stakeholders must be assured.	Community engagement around design; crowd-sourced design, and a building which reflects what people need, rather than what they are given, should be achieved. This can be managed by working with the architects and Council teams / stakeholders, to create an appropriate and meaningful consultation strategy through RIBA Stage 2 and onwards – including the use of a Design Festival to generate and encapsulate public needs, views and ideas formally.

## LEGAL IMPLICATIONS

62. The 2011 Localism Act introduced the so called “general power of competence” which states that “A local authority has power to do anything that

individuals generally may do”.

63. Local authorities have a statutory duty under the Public Libraries and Museums Act 1964 ‘to provide a comprehensive and efficient library service for all persons’ in their area. The same Act (S12) also provides Local Authorities with the power to establish and maintain museums.

64. S111 Local Government Act 1972 provides a local authority with the power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.

65. In respect of the proposed land disposals, the Council must comply with its obligations under s.123 of the Local Government Act 1972, whereby the Secretary of State’s consent is required for the disposal of land at anything less than the best consideration reasonably obtainable.

66. According to the body of the report, the construction of the DCLC will be procured using the SCAPE framework. The SCAPE framework is compliant with both EU Regulations and Council Contract Procedure Rules.

67. According to the body of the report, the construction of the DCLC will be procured using the SCAPE framework. The SCAPE framework is compliant with both EU Regulations and Council Contract Procedure Rules.

68. Further legal advice will be required as the project progresses, particularly in relation to Construction, Procurement and Planning Law. The proposed funding agreements with external funders will also require legal advice, as will the legal position relating to the existing KOYLI display which was itself the subject of previous funding.

## **FINANCIAL IMPLICATIONS**

### **Capital Cost and Funding**

69. The capital cost of the project totals £14.1m and this has been profiled as shown in the table below along with proposed funding. The £14.1m is made up of £14.0m for the new building and £0.1m for the Museum re-wire and lighting.

	2017/18 (£m)	2018/19 (£m)	2019/20 (£m)	Total (£m)
Cost	0.926	7.460	5.714	14.100
Funding:-				
- MRP underspends	0.926	3.360	5.714	10.000
- Borrowing		4.100		4.100
Total	0.926	7.460	5.714	14.100

70. The “MRP underspends” are available following changes to the Council’s MRP policy as detailed in the 2016/17 Revenue Budget and Treasury Management Strategy reports. The £10m of MRP will mean that all resources are used up to

2020/21. From 2021 the Council will be able to set aside further MRP underspends for an anticipated spend on other significant projects up to 2024/25.

## Borrowing

71. The table below shows the revenue costs of borrowing £4.1m. Borrowing costs peak at £203k and this figure has been used as the basis for proving the project is affordable from within existing budgets.

	Repayment of principal (MRP)		Interest	Total
	New building	Museum re-wire & lighting		
2018/19	-	-	59,370	<b>59,370</b>
2019/20	-	-	118,740	<b>118,740</b>
2020/21 -42/43	80,000	4,000	118,740	<b>202,740</b>
2043/44	80,000	4,000	117,170	<b>201,170</b>
2044/45	80,000	4,000	115,600	<b>199,600</b>
2045/46-67/68	80,000	-	115,600	<b>195,600</b>
2068/69	80,000	-	57,800	<b>137,800</b>
2069/70	80,000	-	-	<b>80,000</b>
<b>Total</b>	<b>4,000,000</b>	<b>100,000</b>	<b>5,858,500</b>	<b>9,958,500</b>

The key assumptions used for the borrowing calculations are summarised in the table below:

	New Building	Museum re-wire and lighting
Useful life	50 years	25 years
PWLB maturity rate	2.39%	2.64%
IMF risk factor	0.5%	0.5%
Total interest rate	2.89%	3.14%

## Grant application

72. The Council will not know the outcome of the grant applications until after approval of the project. So for the project to commence and contractual commitments to be entered into borrowing is needed.

## Capital Receipt

73. As stated above, the disposal of the Archives, Barnby Dun School Library Service and Central Library may generate capital receipts. Any receipts will not be received until after the new building is complete and so can't in practice be used to fund the costs. How the receipts and used will be the subject of a future decision; the Council's capital receipts policy states that "If any receipts are generated from projects using Prudential Borrowing they will be identified through the project specific approval report and can be ring-fenced to repay the borrowing for that project, meaning they would not be available to the wider capital programme".

## **Running Costs**

74. As stated above the running costs of the new building have been estimated at £0.57m. The budget for the new building will be created using the budgets for the existing buildings (£0.263m) and further savings identified above (£0.51m). The excess savings will be factored into the budget setting process as will the borrowing costs (0.203m including interest) associated with the new building and Museum re-wire and lighting. In summary, the additional costs (£0.307m plus £0.203m) can be covered by the £0.51m of identified savings.

75. At the time of writing detailed timescales are not available and it is therefore not possible to accurately profile costs. It is possible that a short-term funding gap may occur during the hand-over period between opening the new building and disposing of the old buildings. In terms of revenue costs, the sooner the old buildings are disposed of the better as costs will continue to be incurred until disposal/demolition even after decant (e.g. security, utilities, insurance). Once a detailed plan is available, and the work is done to identify any additional costs during a hand-over period, it may be necessary to request one-off funding to deal with this funding gap.

76. It should also be noted that further savings may be identified in relation to using the Museum as a storage facility. It may be possible to release other buildings used as storage and it may also be possible to reduce current Museum running costs.

## **Governance**

77. The Council's Financial Procedure Rules state that "Projects, once approved and included in the capital programme and which can be delivered within the project's approved budget are not subject to further key decision reporting. The only exception is that any project that involves a capital commitment of £1m or more requires the completion of an Officer Decision Record for the approval of the relevant Director and Chief Financial Officer in consultation with the Portfolio Holder (Finance & Corporate Services) before a formal commitment is entered into or a contract signed.

## **PROPERTY IMPLICATIONS**

78. The recommendations in this report will generate capital receipts to offset possible borrowing costs for the project although these receipts cannot be achieved until after decant into the new building.

79. Projected receipts are noted in Appendix 7 of this report. The recommended disposal routes account for likely demolition costs and property and cleared site values provided in the preparation of this report.

80. Ongoing repair and maintenance will still be required in the intervening period to buildings that this report has already stated are functionally obsolete and in varying states of repair. These costs cannot be projected but will be a risk to existing budgets, managed through the councils Corporate Landlord budget.

## **HUMAN RESOURCES IMPLICATIONS**

81. There are no immediate HR implications arising from the recommendation to

approve capital funding for the DCLC, however, any future changes that impact on the workforce will require HR engagement and would require separate approval.

## **TECHNOLOGY IMPLICATIONS**

82. Implementation of the recommended options detailed in this report, both in terms of asset disposal and commissioning of a new site will have significant technology implications.

83. In implementing the recommended option, the ICT Enterprise Architect must be consulted with during the design and construction phase to ensure adequate ICT infrastructure provisions are contained within the specification to ensure integration with the Council's infrastructure and network.

84. Consultation at this stage will allow adequate time for an infrastructure design to be developed to ensure the building has adequate infrastructure provision to support its functions and the required works are identified to integrate the building into the network. Early consultation will also allow identification of the required budget and timescales to implement this provision.

85. On-going consultation should also take place with Digital & ICT in respect of the building operations to ensure adequate end-user provision are identified and installed for both the workforce and customer using the site. This will ensure the required technology consumables and any ICT utilities are in place (e.g. MFD,

86. Wi-Fi, etc.). As the building functions are confirmed, engagement should be undertaken with Customer Services to ensure any customer facing functions within the site are aligned to and complement existing Customer Service facilities, Inc. but not limited to the One Stop Shop.

87. In respect to the proposed decommissioning of sites detailed in this Report, timely notification must be provided to ICT to ensure any ICT equipment and electronic data is removed from site and any ICT services are terminated. The Officer responsible for decommissioning must also ensure the removal of all data from the site in accordance with the Data Protection Act 1998.

## **EQUALITY IMPLICATIONS**

88. The project will show due regard at all stages to residents with protected characteristics, service users and non-users. The project team will be particularly mindful of their requirements under the Equality Act 2010 and the Public Sector Equality Duty, through regular and systematic meaningful consultation, opportunities for stakeholder engagement and involvement, with representatives from communities and stakeholder groups able to provide meaningful insights which help shape the provision within the building. This will reported back to Cabinet as the project progresses, so that Cabinet and stakeholders can see a clear progressive timetable for consultation, in which residents have a voice and are heard, and plans, designs and services are shaped in accordance with residents' needs and voice wherever possible. The Head of Service for Libraries and Culture in the Council will take responsibility for the outcomes of this consultative approach, liaising closely with the Council's Strategy and Performance Unit.

## **PROCUREMENT IMPLICATIONS**

89. The use of the Scape suite of frameworks has provided the Council with a number of compliant routes to market, especially for its major works projects and offers the Council and the project some surety in securing best value and project deliverability.

90. The service area have wisely prepared and already engaged with the Partner, Willmott Dixon in developing and engaging of the design team, landscape team and environmental engineer teams, enabling the delivery of RIBA stage 1 of the procurement at no cost to the Local Authority, with RIBA stage 2 already to go subject to capital finance allocation approval.

91. The use of the Scape frameworks makes best use of Council funds and demonstrates best value in utilising an existing EU compliant framework as well as securing the most economical price for the works.

## **CONSULTATION**

92. As per the detail in point 87 of this report (Equalities), and further to this, any consultation will be registered with the Council's Strategy and Performance Unit, and will be enacted with methodology and structures appropriate for the type of consultative work required, ensuring the fullest range of engagements with residents, stakeholders, and funders, with an emphasis on collaborative design and development, co-production, developing a building which reflects the needs and requirements of the borough's residents.

## **BACKGROUND PAPERS**

93. N/A

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