

A Review of the Carnegie Project Group's Proposals

The current Chair of the Friends has asked me to review these proposals, including the options which are currently the subject of public consultation. I am the previous Chair and a retired commercial property solicitor. I have confined myself to the facts wherever possible. To the extent that opinions are expressed these are mine and are not necessarily shared by any member of the Friends' committee.

Stephen Carlill

Summary

My main conclusions are as follows:

1. The proposals would not provide the spaces in the building needed for community use or for renting out, either immediately or in the future.
2. The proposals would not be financially viable for the new owners of the building or for Lambeth at any stage.
3. In its current layout the building can rapidly become a source of substantial revenue for Lambeth and its community use can be broadened at the same time.
4. The Project Group's approach of splitting up community use between different areas of the building is not workable.
5. Activities which cannot take place at the same time in the same space can easily be accommodated by arranging for them to take place at different times.
6. The Carnegie should avoid direct competition with other local providers of community spaces and, in particular, with the proposed redevelopment of the stable block in Ruskin Park.
7. Some work is desirable for achieving full use of the building but the cost would be trivial compared with any of the Options and it should be possible to fund it.
8. The work in the Options would create additional lettable space but this would not represent an adequate return on investment. It would not create significant additional space for community use or any other benefit to the community. There is, therefore, no practical possibility of funding the work in any of the Options.

Broadening the use of the building should continue and the Friends should take a fresh look at what we can do to help with this.

Basics

The Project Group was set up to investigate the possibility of transferring the library building and its grounds by way of gift from Lambeth to local community ownership. The new owner is anticipated by the Project Group to be a trust and I will refer to the proposed owners as trustees, but other arrangements are available.

The building includes rooms available for renting out to fund the running of the building and community use of other rooms.

The Project Group categorise community uses as either library uses or non-library uses, though I cannot see that it is possible to make a sharp distinction. For example, the chess club is provided mainly for children who would not otherwise have the opportunity to learn and play. It clearly has considerable educational value in training these children to think ahead and work towards a goal. It has always been regarded by the Friends as one of the volunteer-led activities integral to the library. If one were compelled to make a distinction, however, it could equally well be argued that it is a non-library use.

Other uses such as, for example, yoga or Pilates mat work classes are sometimes run in libraries but more often end up in the less attractive surroundings of a sports or church hall. The difference usually seems to come down to whether the local library's bookcases are on castors, which they are in many libraries nowadays.

Following on from the supposed distinction between library and non-library uses the Project Group propose a division of the community space between a library and a non-library. The underlying reason for introducing these distinctions appears to be that they want Lambeth, after making a gift of the building, to pay rent on the space designated as a library. On close examination, there emerges a well-wrapped suggestion which seems to be that Lambeth should pay rent at 75% above the commercial market rate.

Various comments have been made to the effect that traditional public libraries are out of date or rapidly becoming so, but I cannot see any justification for such views. Key features of a traditional public library are a calm character, plenty of books and space to study. In the past 15 years two large new traditional public libraries have been opened in

Southwark, at Peckham and Canada Water. The only serious problem with these is that they become terribly crowded.

Similarly, older public libraries that have been neglected but then refurbished as traditional libraries with grants obtained for them as libraries are also doing well. Streatham Library is an example. **There is nothing wrong with traditional public libraries.** In contrast to traditional libraries, a noisy space where no one can study such as Clapham One Community Hub, otherwise known as Clapham Library, does not work. People visit once and never return.

Despite the appearance of the streets of houses which immediately surround the library and Ruskin Park, the library is in an area of Lambeth which is severely deprived. There are many people in need of help with literacy and other skills indispensable for a decent life in a 21st Century economy and society. **The library should not be regarded as merely one of a number of things that can be done in the building. It is an essential service and we must not lose it.**

The Project Group formulated a number of options for very substantial alterations to the building and these are out for public consultation, though all the options seem to have been more or less rejected already. **Of more immediate concern is the survival of the library during the next few years. Local authorities are expecting budget cuts of 40% spread over the next three years and Lambeth is likely to reduce the money it spends on libraries.**

The Building and Grounds

The layout of the building on the ground floor comprises a main room, used as the Teen Zone and the Adult Library, from which other rooms ranged round it are accessed. So much should be obvious to anyone who has visited the library. Less obvious is that much of the structure, that is, the walls which hold the building up, follows on from this layout. In other words those structural walls run between the main room and the outside walls of the building. This enables the walls between the main room and surrounding rooms to be glazed.

The glazing is important for two main reasons. One is primarily commercial. **All the rooms are well lit by natural light and we know there is plenty of demand locally for studio space with good natural light. Tenants for other uses are less readily available.**

How easily they could be found is a matter for speculation. The other reason is that the glazing is in itself attractive and even at night makes the rooms feel very spacious, which both commercial and community users like.

Rearrangements of the interior layout have been proposed by the Project Group and others which would involve sound-proofing the main room. This would block the light. It has also been suggested that the interior be rearranged so that surrounding rooms are accessed without going through the main room. This would involve interfering with the structure, which is always expensive.

The building is Listed. The sorts of changes proposed would destroy its internal character and so a very strong case for the changes would have to be made to English Heritage.

The current layout and the glazing should be kept unless there are sufficiently compelling reasons to change them.

The plan of the building can be thought of as a U-shape, with the main room sitting in the curve of the "U". The front of the building, or bottom of the "U," has the entrance lobby in the middle. On either side of the lobby are what were originally two reading rooms, one for newspapers and one for magazines. The one on the left, or south side, has been divided by a stud partition to form what are now the children's library and the art gallery. The one on the right, or north side, is being used by Lambeth Libraries temporarily. When they vacate and it is cleared, this room will be available for letting. It has natural light from the street and the main room.

The site of the building slopes and there is no basement underneath the south, that is, uphill wing. The north or downhill wing does have a basement. This comprises toilets and a room used by Home Delivery, which provides a library service to housebound residents of the borough. Small vans are used for this purpose and the vans are kept in a secure parking area behind the north wing. The Project Group assume that Home Delivery will move from the Carnegie. I find this difficult to believe. The Carnegie is an ideal location. Even if Lambeth could find an alternative room elsewhere with ready access to a site for secure parking, the necessary relocation costs would run to tens of thousands of pounds. Moreover, the current room would be hard to let except at a low rent because it is in a basement and has only two small windows, both of which face north.

The only plausible reason I can think of for moving Home Delivery would be to redevelop the van park as a block of flats but the Project Group have not proposed this. Somewhat inconsistently it may be thought, they did raise the possibility of redeveloping the area behind the south wing, which is currently garages, though this belongs to the Housing Department and there is no precedent for Lambeth transferring land from Housing to a non-housing community organisation.

A much admired feature of the library is the back garden. This was derelict but the Friends and other volunteers converted it into a Reading and Wildlife Garden, using grants the Friends obtained from the Lottery and the Metropolitan Public Gardens Association. Housing on the uphill south end of the garden would obstruct light to the garden. How severely would depend on the number of storeys.

The basement gives access to a storage area underneath the main room. The floor slopes. The area of the main room is about 3,000 square feet but, because of the slope, **the fully usable extent of the storage area is about 2,000 square feet. It is not currently in use because it needs some lining to bring it up to modern fire safety standards. Once lined it could be let for the local going rate of £2 to £2.50 a square foot.** There always seems to be plenty of demand for storage. Indeed, the current budget for Lambeth Libraries' headquarters includes £3,000 for storage. I do not know the cost of the lining but I would be surprised if it were not covered by the first few years' rent.

The north wing has a room on the ground floor, which was originally the children's library, and another on the first floor, which was a lecture theatre. Both are rented by Whirled Cinema, a local arts organisation, for use by artists and other people wanting pleasant desk spaces with plenty of natural light.

The north wing also contains the building's lift. **The Project Group's architects have apparently advised that the lift be moved to a new shaft to be erected on the outside of the building.** However, the only available location would block the only south facing window of the ground floor room and one of the south facing windows of the first floor room. It would also detract substantially from the appearance of the first floor both from inside and outside. The rental value of the rooms would be reduced.

The reason given for moving the lift is that it takes up space which could be used to enlarge the rooms and larger rooms normally have higher

rents. **However, the lift shaft only takes up a small amount of space. What takes up much more space is the fire lobbies associated with it and the stairs.** All of these can be seen on the plan. The lobbies are required because there is only one escape route from the first floor room. **The way to get rid of them is to install a fire escape.** The only place this could go is the position proposed for a lift shaft. The windows would not then be blocked. The appearance of the rooms would not be too obviously changed provided the metal escape is matt painted to match the colour of the brickwork.

As well as enabling the area of rooms to be increased, **a fire escape would make it possible to use the first floor room as a community space if the uses of the different parts of the building were switched round.** At present the absence of a fire escape means that the first floor room probably cannot be used for public events. Bringing a beautiful room back into community use is exactly the sort of reason which provides strong support for a grant application.

The ground floor of the south wing is part of the library. There are two floors above it but these comprise four council flats, three of which have been sold off on 125-year leases under the Right to Buy scheme. The flats have their own street entrance and are not accessible from the library. Part of the structural support for the upper floors consists of a rectangle, in plan, of structural walls which doubles as a strong room for the library. The flats' entrance staircase and the strong room are next to each other. This divides the library's accommodation in the south wing in two. The Project Group's plans and descriptions treat the areas on either side as parts of a single room, which may imply that they are contemplating very extensive alterations to the structure in this area.

One half of the south wing accommodation is the library workroom. The other is made up of a recently refurbished meeting room, the kitchen and a corridor leading to these rooms. The workroom is the place to store furniture from the main room when this furniture is not in use. Some of the Options allocate this room to other uses, which implies that the furniture would be stacked up in the main room.

The Project Group assume that the trustees' staff would run the building and that on top of the costs of running the building, the trustees would have further staff costs of £50,000 a year. The published information does not state that the trust would need an office in the building but the large amount for staffing or administration suggests that there will be one. **The meeting room would be the smallest room allocated to**

non-library community use and so it or possibly a larger “community” room would be the trustees’ office.

Option 1 includes having the public library accommodation as at present except that the trustees would take the meeting room. Additionally, they propose that the trustees should have half the vacated front room instead of renting out the whole room. That half room would not be as useful as the meeting room because, unlike the meeting room, that half room could not house noisy uses. **As a matter of practicalities Option 1 would not increase the space for community uses but it would deprive the building owner of substantial rental income.**

Space for the Library

From the above description of the building it should be apparent that the area in public use has been greatly reduced over the years. The challenge is to make effective use of what remains.

The minimum space requirements for the library services provided by Lambeth at the Carnegie are:

- 1.** A children’s library of at least the present size, since it gets crowded. The children are encouraged at the regular group sessions to be alternately very quiet and very noisy. Their library therefore needs to be in a separate room.
- 2.** A Teen Zone of substantially the current size, adequately furnished with book cases, a sofa, tables and chairs. This will only be used if it is located well away from the children’s library and in a position where the teens do not think they are being overlooked by adults. It should really include some computers.
- 3.** An area where library staff can work out of sight of the public, allowing them to get on with tasks which require undivided attention.
- 4.** An area containing issue machines, an enquiries desk, printer, cash till and various other things the staff need on hand.
- 5.** An adult library containing books, computers and study spaces.
- 6.** Space for reading groups and other weekly activities led by library staff.
- 7.** Space for talks put on by Lambeth Archives from time-to-time, which attract anything from 100 to a few hundred people.
- 8.** Space for author and other events, which attract a few dozen people each time.

Space is also needed for the following volunteer-led activities which currently take place at the library:

- A. Adult literacy clubs twice a week of up to a dozen student-tutor pairs plus a supervisor. Currently some pairs work in the gallery while others use the main room. There is a break for socialising halfway through and this takes place in the Gallery.
- B. A chess club each Saturday. This has over 100 members and 15 to 25 typically attend each session. These are mostly children but some are adults. Some members coach as well as play.
- C. A tea with home-made cakes laid on monthly by the Friends, which several dozen library users enjoy.
- D. A monthly gardening group.
- E. A day-long Winter Fair and, usually, three or four other day-long events put on by the Friends during the year, with the primary aim of publicising the library. These usually bring in anything from 150 to 400 visitors.
- F. Talks, poetry readings, drama and other events from time-to-time, attracting a few dozen people each time.

The current library accommodates these activities well, though it is a squeeze from time to time. In recent years the management and users have willingly cooperated to maximise the use of the available rooms.

All the Options except 1, would halve the space for library use. This reduction in the library area may go ahead if the building is transferred, even if all the Options are discarded. It would be possible to fit in the children's library, teen zone, librarians' work area and the space for enquiries, issue machines and so on. It is not clear that there would be room for an adult library. If there were, it would be a very small one. In any event, the accommodation would be cramped and we can be sure that the **numbers of library users and book issues would be significantly reduced.** As explained below, **the Project Group's proposals would reduce the libraries' budget for the whole borough** at a time when it is likely to be cut continually anyway. With reduced use our library would have to be the prime candidate for savings. **Steps which reduce the use of the library while increasing its cost would put it firmly on the path to being closed.**

In the meantime the various clubs, groups, talks and other events held at the library currently would be expected to take place in the Main Room.

The financial analysis below suggests that there would be hire fees. **If there were hire fees then most of these group activities would stop.** There is unlikely to be funding from the already tight Libraries' budget for the Borough. The adult literacy and chess clubs do not have any money.

Main Room

The Project Group propose emptying the room of books and imply that furniture not in use would be stored in the room. The room would then be stripped of its appealing character and left as an echoey sports or church type of hall. There are plenty of these around already. The Carnegie needs to offer something more attractive to potential users.

The Project Group have suggested that if the building were transferred to the trustees then the books would have to be removed from the main room to avoid the trustees being liable to Lambeth if books were damaged or stolen at times when the library is not open. This seems to me to be inventing difficulties. Unless and until it is established that a group using the room has adequate supervision by a responsible person, the trustees would have to have someone present to guard against damage to the building anyway. The same person would guard against damage to the books. Theft of books should not be a problem. If a book is removed without being properly issued, the radio frequency identification system sounds an alarm and announces which book has been removed.

Lambeth should be happy to take the minimal risks. The trustees would be in occupation and Lambeth merely have a licence to provide the library service in the building. **Lambeth would no doubt grant the trustees charity exemption from Business Rates, which would mean Lambeth paying thousands of pounds less than they pay at present or would pay under any of the Options.**

This is currently **a very pleasant room. Thanks to the books round the walls it has an excellent acoustic.** When not wanted furniture from this room can be stored in the librarians' workroom. The usefulness of the main room is limited by the bookcases in the centre of the room. **To make the room accommodate a wider range of uses, book cases on castors are needed.** The book cases can then be moved as appropriate to create whatever spaces are required. The room could then host the full range of common leisure and sports uses. The only obvious

exceptions would be uses requiring loud bass music or which involve people jumping up and down. Such uses would disturb other users of the building. They would be disturbing even if there were sound proofing since vibration would travel through the structure of the building.

Times of use

The Carnegie is open in the evenings only once a week, on Mondays, so it is **fully available for other uses six evenings a week**. It opens as a library during the day several days a week but, as there is less demand for space in the daytime, this should not be a significant problem. Moreover, it is proposed to include some rooms for events in the redevelopment of the Ruskin Park stable block and those will be available during the day.

In any event small meetings and yoga classes etc. can currently be provided with rooms during library opening hours and this would continue.

Rental Income while Lambeth retain the building

Whirled Cinema pay £11 a square foot for on the first floor room and, I assume, the same for their ground floor room. The Project Group's architects have advised the Project Group that all the current accommodation in the building would command rent at this rate. This advice should be treated with caution. The only information used in formulating it appears to be Whirled Cinema's rent and a conversation with someone at Petermans, the estate agents on Herne Hill, about the rents of workshops locally. Petermans rent out some of these and I would expect them to have supplied an "asking figure," which would be quoted to a prospective tenant for their most attractive property at the start of negotiating the rental figure. It might be more realistic to expect rent at this rate for the well-lit rooms on the ground and first floors but a lower rate for the basement rooms, which face north.

At £11 a square foot, the two rooms currently let would each yield about £12,000 and the former reading room about to be vacated would yield £17,000, making **a yearly total of £41,000 in rent**. Additionally, the tenants must bear Business Rates on the space they occupy, which is about £12,000, making a grand **total income of £53,000**.

Day-to-day management of the building is dealt with by the library manager. The current year's **premises budget** for the building is made up of:

	£
Utilities	8,000
Business Rates	32,000
Cleaning	19,000
Insurances	<u>4,000</u>
Total	63,000

Assuming that the tenants clean their own premises, the cleaning costs payable by Lambeth will be reduced. Utility costs might be increased slightly. **Overall, we seem to be looking at a total gain to Lambeth Libraries of about £60,000 a year if the building is retained by Lambeth.** This is roughly a quarter of the cost of our library.

Rental cost to Lambeth Libraries if it transferred the building

As explained below, the Project Group's proposal appears to be that Lambeth would pay rent and service charge on an area separated off for library use at a rate of £22 or more a square foot. **If the library were shrunk as proposed in the Options other than 1, the cost to Lambeth Libraries would be £55,000. There would be cleaning costs of, say £5,000 or so a year, making the total cost roughly £60,000 a year. This is almost as much as the current premises cost for the whole building.**

The Project Group's proposals include the possibility of keeping the library where it is at present but then Lambeth would be paying for rather more than twice as much space, increasing its payment to about £120,000 a year. **There is no practical possibility of the Libraries' budget stretching to cover the cost of the existing space at a time when the budget will no doubt be suffering serious cuts and Lambeth will have forgone the above rental income of £41,000 a year. If the building is transferred on the terms currently proposed, our local library will have to shrink to half its current size.** Thereafter,

as the cuts continue Lambeth will have to make hard choices about where to save money from its Libraries' budget. Our library will have become expensive and its use will have reduced. Closing it is likely to be the least unwelcome choice for saving money. **We should expect that transferring the building as proposed would be the end of our library.**

The Project Group's Budgets

In addition to the rent of £11 a square foot for the first floor room, the current tenant has been paying Lambeth £200 to £300, equating to about £2.50 a square foot. The room is not rated separately and this figure appears to be simply reimbursement of an appropriate proportion of the Business Rates paid by Lambeth Libraries on the building. The implication is that the rent of £11 a square foot is inclusive of services. Having agreed this inclusive rent, the tenant will obviously not be willing to pay a service charge. The £11 appears to approximate the market rate for the inclusive rent and so I think we must assume that prospective tenants also will not agree to a service charge.

The Project Group have released two documents prepared by their architects and financial advisers:

- Options Appraisal Report dated 11 July 2014
- Detailed Financial Information dated August 2014

Taken together these estimate that the running costs of the building would equate to £10 a square foot plus a further amount to cover costs of those parts of the building which are used by more than one occupier, which I assume will be another £1 a square foot, making a total of £11 a square foot. The documents appear to be clear that tenants are expected to pay this amount in addition to rent at £11 a square foot. It includes Business Rates, which any tenant would have to pay, of about £2.50 a square foot. **In effect, therefore, the financial figures appear to assume income to the trustees at a rate which is £8.50 a square foot more than the market rate of £11 a square foot. They seem to be hoping that Lambeth will pay 175% of the market rent.**

There is a very real problem with the Project Group's figures. We can construct an Option 0, to compare with the other options in the Detailed Financial Information, by assuming that the storage is let, Lambeth pay the service charge but other tenants do not and that Lambeth exempt from Business Rates areas occupied by the trustees.

Building Component	Square feet	Use	Pounds a square foot	Income for Trust	Cost to Trust at £8.50 a square foot
Basement					
Storage area	2,000	Storage	2.50	5,000	
Small room occupied by Home Delivery	753	Home delivery	11	8,288	
Ground Floor					
Central Room aka Main Room	2970	Trust			25,245
North wing large room aka Ground floor room let to Whirled Cinema	1100	Rentable studio / workshop	11	12,100	9,350
North wing small room aka about half of the former reading room that should soon be vacant	753	Ditto	11	8,283	6,400
South wing large room (part of) aka meeting room and kitchen	581	Trust			4,938
South wing large room (part of) aka workroom	581	Trust			4,938
South wing small room aka the Gallery	753	Library	11	8,283	
Front central room south aka Children's Library	872	Library	11	9,592	
Front central room north aka the rest of the former reading room that should soon be vacant	872	Library	11	9,592	
First Floor					
North wing large room aka First floor room	1100	Rentable studio / workshop	11	12,100	9,350
			Totals	73,238	60,221

The trustees' net income will be only £13,000 but they have a minimum of £50,000 a year staffing costs. They are £37,000 or more short of what they need and there is no obvious way of making up the difference. The situation becomes worse if one allows for periods when rentable areas do not have a tenant in or a new tenant has a rent free period; traditionally this was three to six months.

The financial aspects of the Options

If the above inferences about

- how much space Lambeth Libraries can afford
- the £11 for studio/workshop space being inclusive of services
- north facing basement rooms commanding only low rents

are correct then Option 1 would not be viable. Moreover, storage use would bring in as much as the cafe.

The inference about inclusive rents also renders Options 3a and 3b uneconomic.

Options 2a, 2b and 2c appear to be viable if one looks only at revenue. But even the most profitable, 2a, would represent a return of only one per cent per annum on the minimum capital cost of £4 million conjectured by the Project Group's architects. **It is difficult to see how funders could be persuaded to provide the capital when the return is so meagre and the work has no other obvious advantage to the community, such as creating worthwhile additional space for public use.**

Governance

The Friends have always had a representative on the Project Group but we have been effectively excluded by three of the members purporting to hold meetings of the group without notifying the Friends. The group also had other members but these were either excluded or withdrew. The position is not entirely clear.

The trio are Fred Taggart, Carol Boucher and Frances Lamb. They insist that they are moving towards the trust and transfer; and assert that participation in what they consider to be their group will only be by their invitation. This nonsense must be stopped.

In due course the building could be transferred to a genuinely representative community organisation. The transfer would be effected by means of the organisation being granted a long lease.

For the reasons explained above, the trio's proposals would result in the library first shrinking and then being closed. **We must make sure that effective decision making about the library remains with Lambeth as the elected library authority instead of being curtailed by unelected people who do not represent anyone but themselves.**

Ways Forward

The following couple of suggestions might be helpful.

The Friends have always been concerned to publicise what the Carnegie has to offer. We could do more work on this, emphasising the diversity of possible uses. The first step would be to come up with plenty of ideas and then discuss these with Libraries' management. **The more diverse the range of users the better when it comes to forming a genuinely broad-based community organisation to take over the building.** The Friends may have been rather too good at promoting the interests of the Carnegie and thereby unintentionally encouraged others to leave us to get on with it.

The last round of Lottery money for libraries made £2 million available to each library authority but Lambeth did not apply. Peter Jones, who obtained the full amount for Luton Borough Council, advised the Friends of Lambeth Libraries that success depends on having a scheme ready before funding becomes available. The Friends of Carnegie, preferably together with other locals, might form a working group to generate proposals. A useful first step would be for those interested to take a detailed look at the building. It would be wrong to defer consideration of improvements until after transfer of the building to a community organisation. We might miss out again on millions of pounds. Also, unlike the Lottery money for library authorities, the Lottery normally requires community organisations to raise substantial amounts from other sources by way of match funding.