

www.pwc.co.uk

Carnegie Hern Hill Community Trust CIO

Lambeth Council

Application for
Community Asset
Ownership &
Management – Public
Interest Test:
Independent Review

February 2017



Contents

<i>Executive Summary: Carnegie Herne Hill Community Trust CIO</i>	<i>1</i>
<i>Appraisal conclusion against agreed criteria</i>	<i>4</i>
<i>Summary Financials: Carnegie Herne Hill Community Trust CIO (CCT) – 3 Year Budget Projections</i>	<i>5</i>
<i>Important notices</i>	<i>6</i>

Executive Summary: Carnegie Herne Hill Community Trust CIO

1. THE ORGANISATION

- Location of the applicant.
- Governance structure and management roles & responsibilities.
- Summary of intended use of the asset including additional activities.

The applicant, The Carnegie Herne Hill Community Trust CIO (“CCT”), was set up by a local project group formed in 2012 and the CCT was officially formed and registered in October 2015. The Board of Trustees consists of seven local residents with a breadth of skills relevant to the continued operations of the Carnegie Library.

The Trust would be based in the Carnegie Library in Herne Hill Rod should the application be successful.

The Association is governed by the Board of Trustees and there will be sub committees to oversee specific activities, for example, an Associate Membership Scheme and other designated Working Groups.

The applicant intends to prioritise the restoration and continuation of library service with the library located on the ground floor. Alongside this the CCT will operate across three programmes for the public benefit, the Learning and Enterprise programme, the Community and Wellbeing programme and the Performance and Arts programme.

2. THE IDEA

- What is the community asset transaction being proposed (meanwhile use / asset transfer / right to bid / right to reclaim land / compulsory purchase / social value)?
- What is the need and case for community asset ownership & management?
- Who will benefit from the proposal?

The CCT intend for the Library to continue catering to the requirements of the local community but also to revive the Library as a financially viable and sustainable community resource.

The exact nature of the asset transfer has yet to be agreed, LBL expect this to be a long leasehold for a minimum of 25 years but are open to negotiations on the length of the lease. The CCT have requested that the long leasehold would be for a minimum of 75 years.

The applicant states that the main area of benefit will be the LBL Wards of Herne Hill and Coldharbour.

<p>Financial summary</p> <ul style="list-style-type: none">• Value of the proposed asset transaction.• Summary total of any proposed capital works and revenue (income & costs.) covered in the business plan.• Financial history of the applicant.	<p>The applicant requests that the asset be transferred to the CCT for a minimum of 75 years by January 2018, this has not yet been agreed. The mechanism of asset transfer and the value of the asset has not yet been determined.</p> <p>From the initial scoping work, condition survey and expert advice provided by CCT the capital spend is expected to be between £3 million and £5 million to repair, restore and adapt the library as required whilst safeguarding the legacy and future of the historic building.</p> <p>The CCT will apply for up to £2 million for the Heritage Lottery Fund and also other capital funders to conserve and refurbish the Library. CCT are committed to leading the fundraising to attract this capital required.</p> <p>The costs and capital income for the redevelopment project will be subject to a separate plan to be developed by CCT that will be actioned if CCT are named the preferred applicant.</p> <p>The current plan excluding capital spend and refurbishment expects £159k-£194k income from rentals (incl. the gym) and sales from the café and £102k-£149k from grants and funding per annum over the first three years. This income has been based on rental value per square foot as advised from Ingham Pinnock, Economic Development and Regeneration Consultants, in 2014 for the purpose of the Options Appraisal by Butler Hegarty Architects.</p> <p>The applicant is a registered charity. The charity was incorporated in 2015 and was set up by the Project Group which was formed in 2012 with the aim of setting up a platform for the Carnegie Library to be operated by the community as a Community Hub.</p>
<p>External funding</p>	<p>External funding excluding capital funding for major refurbishment is expected to generate £65k to £112k per annum over the first three years. The majority of this external funding is not yet agreed.</p> <p>External funding for major refurbishment and development of the Library is expected to range from £3 million to £5 million, with a significant amount of the funding coming from a Heritage Lottery grant application. The timing and plan for the major refurbishment has not yet been prepared and, therefore, cannot be assessed. The plans for the major refurbishment have been based on plans laid out by Butler Hegarty Architects, which were submitted to LBL in paper format. PwC have not had access to these plans., Therefore, LBL should consider these plans in conjunction with this report.. The funding budget was estimated based on initial scoping work, condition survey and expert advice from Butler Hegarty Architects obtained by the CCT.</p>
<p>3. COOPERATIVE</p> <ul style="list-style-type: none">• How involved have local communities been in developing the proposals?• Does the proposal intend to generate activity that offers opportunity for the broadest possible engagement with communities (diversity), including traditionally excluded communities?	<p>The CCT will use the Users Consultative Group and other community groups in order to consult the local community on the Library's future plans and ongoing performance.</p> <p>The applicant is mindful to ensure that the business plan meets the CCT charitable objectives to improve the quality of life of the local community by meeting its educational, recreational and social needs, as well as meeting specific Public Benefit objectives that have been categorised into four broad aims:</p> <ol style="list-style-type: none">1 Learning and Enterprise – such as supporting and encouraging learning, reading and studying; promoting local employment and enterprises; and providing accessible training.

-
- Does the proposal demonstrate methods and activities of ongoing consultation and involvement of local communities?
 - 2 **Community and Wellbeing** – enhancing social inclusion; building a stronger community and cultural activity; improving well-being and fitness; hosting a range of social events; and providing a venue where the community can mix, access and meet local people.
 - 3 **Performance and Arts** – promoting the local talent; and developing and improving accessibility to the performance, art and culture community.
 - 4 **Environmental** – enhancing and promoting garden access and horticulture; reducing local traffic and emissions by promotion of public transport; promoting and educating on recycling; and providing a refurbished, efficient and environmentally friendly building.
-

Appraisal conclusion again agreed criteria

Criteria	RAG Rating	Key issues for consideration
1 The Organisation	G	CCT has not yet produced a detailed cost plan or the capital refurbishment, this will be prepared when if the CCT is chosen as the preferred applicant.
2 The Idea	A	<p>The long term capital refurbishment funding required is in the region of £5 million. This is a significant sum to be raised and as such LBL should consider the ability for CCT to raise these funds, given that no funds have been secured to date. The applicant is targeting the Heritage Lottery Fund to fund up to £2 million, but it is not clear which other potential funders may be targeted to meet the total requirement.</p> <p>The CCT has assumed £87k per annum of rental income from the GLL for the rental of the gym space, which has not yet been agreed with GLL.</p> <p>The level of annual income from the multiple income streams varies and the basis for this should be reviewed in line with LBL similar assets to ensure it is achievable.</p> <p>CCT has not supplied forecast balance sheet (working capital) or cash flow statements. As a result, no assessment has been performed over the implications of the planned activities on working capital or cash balances.</p> <p>The proposed method of transfer of the asset is not clear as the mechanism of asset transfer has not yet been agreed. Therefore, capital spend on purchase or lease payments has not been accounted for in the financial projections. Any change in the assumption that the asset will transfer at no cost through grant of a long lease at a peppercorn rent, could have a significant impact on the viability of the project.</p>
3 The Cooperative	A	<p>The CCT has demonstrated engagement with the local community. However, evidence to support this is limited. For example, we have not been provided with any statistical information (such as community surveys of focus groups' feedback) to support the business plan aims and objectives.</p> <p>The CCT has set out their on-going marketing and communication strategy, which will include a variety of media to reach as many people in the community as possible and to keep them informed of activities at the Library.</p>

Summary Financials: Carnegie Herne Hill Community Trust CIO (CCT) – 3 Year Budget Projections

	Year 1 £'000s	Year 2 £'000s	Year 3 £'000s
3 Year Forecast			
Income – rentals, sales and library activities	72	102	108
Income – basement	87	87	87
Income – grants and funding	112	63	65
Income – LBL volunteer time	36	36	36
Total Income	307	293	296
Running costs – staff, marketing, maintenance etc	(218)	(160)	(161)
Building costs – utilities, insurance, licences, repairs etc	(81)	(82)	(83)
Total Expenditure (excl. depn and tax)	(299)	(243)	(242)
Net profit (excl. depn and tax)	8	5,015	52

Important notices

This report has been prepared for and only for the Strategic Assessment Management Group (SAMG) of Lambeth Council.

Any person who is not an addressee of this report or who has not signed and returned to PwC a Release Letter is not authorized to have access to this report. Should any unauthorized person obtain access to and read this report, by reading this report such person accepts and agrees to the following terms:

1. The reader of this report understands that the work performed by PwC was performed in accordance with instructions provided by our addressee clients and was performed exclusively for our addressee client's sole benefit and use.
2. The reader of this report acknowledges that this report was prepared at the direction of our addressee clients and may not include all procedures deemed necessary for the purposes of the reader.
3. The reader agrees that PwC, its partners, principals, employees and agents neither owe nor accept any duty or responsibility to it, whether in contract or in tort (including without limitation, negligence and breach of statutory duty), and shall not be liable in respect of any loss, damage or expense of whatsoever nature which is caused by any use the reader may choose to make of this report, or which is otherwise consequent upon the gaining of access to the report by the reader. Further, the reader agrees that this report is not to be referred to or quoted, in whole or in part, in any prospectus, registration statement, offering circular, public filing, loan, other agreement or document and not to distribute the report without PwC's prior written consent.

In the event that, pursuant to a request which Lambeth Council (the Council) has received under the Freedom of Information Act 2000, it is required to disclose

any information contained in this report, it will notify PwC promptly and consult with PwC prior to disclosing such report. The Council agrees to pay due regard to any representations which PwC may make in connection with such disclosure and the Council shall apply any relevant exemptions which may exist under the Act to such report. If, following consultation with PwC, the Council discloses this report or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

We have not carried out anything in the nature of an audit nor, except where otherwise stated, have we subjected the financial information contained in this report to checking or verification. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of the information in this report, except where otherwise stated. This appraisal is based on the specific criteria set out below and is for the purpose of assisting the cross-departmental panel undertaking the Public Interest test for the Community Asset Transfer application made by the applicant to make recommendations to the SAMG and to provide the Members of the SAMG with the results of our assessment.

PwC's appraisal against each of the criteria has been based solely, unless otherwise stated, on the representations of the applicant provided in the supporting information submitted to the Council and any additional information requested by PwC during the appraisal.

Where other sources of information have been used to appraise each criteria these are stated in the "evidence reviewed to support conclusions" sections below:

Assessment against each of the appraisal criteria:

- G Criteria considered to be met
- A Criteria only partially met either due to insufficient information or a failure to meet the criteria in some areas.
- R Criteria not met or key elements of the sub-criteria not met either due to insufficient information or a failure to meet the criteria.

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
1 The organisation			
1.1 Intended use and additional activities			
1.1.1 Has the applicant clearly stated the intended use of the asset and identified the additional activities that will be offered to the community?	Business Plan Section 1, 2 & 7 CCT3 3 year budget projections Vo 5	<p>The Carnegie Library ('the Library') was originally funded by a grant from Andrew Carnegie and opened in 1906 to service the Herne Hill and Tulse Hill areas. The library has been open since this date, until March 2016 when the Library was closed as part of the revision of its library services, precursor to the community asset transfer process.</p> <p>The Carnegie Herne Hill Community Trust CIO ('CCT') was incorporated as a charitable incorporated organisation in October 2015, set up by a local Project Group that was formed in 2012 with the sole focus to establish that the Library could be owned and operated by the community as a Community Hub. The CCT has 7 trustees or varying qualifications</p> <p>The Project Group defined its task as:</p> <p><i>"To protect and enhance the historical and architectural fabric of the Carnegie Library and its setting; to facilitate the continued operation of a Lambeth Council library; to bring vacant or under-used space in the building into appropriate new uses; create new entrepreneurial opportunities; and, primarily, to promote the use of the building for wider public access and community uses, particularly for activities that complement the literary and cultural ethos originally envisaged in Andrew Carnegie's endowment. The project is intended also to contribute to and promote the social infrastructure of the locality within which it is situated."</i></p> <p>The CCT objective is essentially that of the Project Group and further details are provided within the constitution of the CCT.</p> <p>The CCT intends for the basement of the Library to be the location of the Gym, and the ground and first floor rooms will operate as a staffed Library and Community Hub as well as an income-generating Enterprise. As the Gym will be managed by Greenwich Leisure Limited ("GLL"), whereas the remainder of the Library space will be managed by CCT. CCT intends to deliver the business plan through three core programmes:</p> <p>1 The Learning and Enterprise Programme</p>	<div style="text-align: center; color: green; font-weight: bold; font-size: 1.2em;">G</div> <p style="color: orange; font-style: italic;">CCT has not yet produced a detailed cost plan or the capital refurbishment, this will be prepared when if the CCT is chosen as the preferred applicant.</p>

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
		<p>2 The Community and Wellbeing Programme</p> <p>3 The Performance and Arts Programme</p> <p>The CCT intends to carry out significant conversion, repair and adaptation works that are required to the building as per appraisal that was carried out by Butler Hergarty Architects in August 2016. These works will be funded via capital grant applications in the region of £5 million, one significant application is planned to be for up to £2 million from the Heritage Lottery Fund.</p> <p>The CCT does not consider there to be any imminent repairs to the library required to facilitate the reopening of the library. A budget of circa £80k per annum has been included for building costs such as running costs, maintenance, licences and insurance etc.</p> <p>The basement of the Library has been proposed to be converted into a Gym. Per the applicant, based on local public consultations and surveys the Gym does not appear to be a popular proposal. However, if the Gym is to proceed the CCT are committed to working alongside GLL in providing agreed market rates.</p>	
1.2 Viability and sustainability			
1.2.1 Is the project design and build timeline reasonable and deliverable?	Applicant responses to Q. 7, 8 & 20	<p>The CCT has clearly set out key work streams for the period leading up to asset transfer in January 2018, covering months 1 to 6 ahead of this and the tasks that need to be completed in this time.</p> <p>Further to this CCT has gone on to set out the key milestones and dependencies that will impact the business plans success:</p> <ol style="list-style-type: none"> 1 Agree terms of Asset Transfer within 3 months of being designated preferred bidder 2 Complete initial user engagement re. Enterprise Centre and Local Community Groups within 2 months of being designated preferred bidder 3 Secure funding of £50k for year one within 4 months of being designated preferred bidder 4 Secure equipment through gifts and grants within 4 months of being designated preferred bidder 5 Establish Membership Scheme and 100 members within 4 months of being designated preferred bidder 6 Complete asset transfer and enter the building within 6 months of being designated preferred bidder 7 Staff team in post within 6 months of being designated preferred bidder 8 Library re opens within 4 weeks of entry to the building 9 Enterprise Centre and Community Groups re-established within 4 weeks of entry to the building 10 Events programme launched within 4 weeks of entry to the building 	

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
		<p>CCT has assessed the key risks when determining these milestones so that they are able to focus their attention on the areas of most need.</p> <p>The applicant has then gone on to provide detailed KPIs measuring how the success and performance of the library will be monitored pre and post asset transfer:</p> <ul style="list-style-type: none"> • Reported delivery of Action Plan (see Question 10 above and Section 15 of Business Plan) 100% on target at end of year one (2 months from date of entry to building) except where factors are beyond our control. • Customer Satisfaction Survey annual metric of 60% satisfaction first survey at 12 months from date of entry • Financial plan within 15% of projection at each successive financial year-end. • Space occupancy 60% in year one. 85% in year two and ongoing – measure at end of financial year but on-going progress reviewed at each quarterly board meeting. • Volunteer recruitment within 15% of plan by end of first year. Retention monitored annually and kept to 70%. With compensating new recruitment to keep overall numbers up. • Membership increases by 20% each year for 3 years – measured at end of financial year • Number of activities in the building - baseline benchmark of number of previous hirers/users, Year 1 re-establish same level of usage, Year 2 increase by 15%, Year 3 further increase of 20%. • Number of library service users – baseline benchmark of previous number of library users from LBL's figures, Year 1 re-establish same level of usage, Year 2 20% increase, Year 3 further 15% • Enterprise Centre Achieves full occupancy within 12 months of start date <p>The project plan and delivery has had careful thought and insight from the experience of the range of trustees and provides confidence in the clear skills of the board.</p> <p>Despite the capital refurbishment plan not yet being designed, the clear structure and planning of the existing business plan provides confidence in the board's abilities to replicate this for the capital refurbishment plan.</p>	
1.2.2 Are there any critical dependencies in the project that have not been highlighted?	Business plan section 7 Applicant responses to Q. 23	<p>There are two initial critical dependencies that have been identified by CCT:</p> <ol style="list-style-type: none"> 1 Securing a suitable asset transfer deal from LBL 2 Agreeing an appropriate relationship with GLL or whichever tenant(s) occupy the basement <p>Once the initial two dependencies are overcome, CCT has identified the next critical dependency to be:</p>	

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met																												
	CCT3 3 year budget projections Vo 5	<p>3 Securing the wider community engagement and restoring the confidence of the community in the whole project. A further dependency that has not been highlighted would be the achievability of securing the funding for both the existing business plan and the future capital refurbishment work.</p> <p>At present CCT are expecting to achieve the following level of fundraising for the ongoing business plan:</p> <table border="1"> <thead> <tr> <th>Fundraising</th> <th>Year 1 £'000</th> <th>Year 2 £'000</th> <th>Year 3 £'000</th> </tr> </thead> <tbody> <tr> <td>Financial Grants - all sources</td> <td>50</td> <td>50</td> <td>50</td> </tr> <tr> <td>Membership Scheme</td> <td>2</td> <td>3</td> <td>5</td> </tr> <tr> <td>Sponsorships/Donations Gift Aid</td> <td>10</td> <td>10</td> <td>10</td> </tr> <tr> <td>Furniture + AV Equipment gifts in kind. See lines 22 & 24 above</td> <td>50</td> <td>0</td> <td>0</td> </tr> <tr> <td>Volunteer time 70hrs per week @£10 per hour</td> <td>36.5</td> <td>36.5</td> <td>36.5</td> </tr> <tr> <td>Total fundraising</td> <td>148.5</td> <td>99.5</td> <td>101.5</td> </tr> </tbody> </table> <p>CCT are then expecting to raise in the region of £5 million for the capital refurbishment work at a later stage to meet the estimated repair and refurbishment work required as per the assessment performed by Butler Hegarty Architects.</p>	Fundraising	Year 1 £'000	Year 2 £'000	Year 3 £'000	Financial Grants - all sources	50	50	50	Membership Scheme	2	3	5	Sponsorships/Donations Gift Aid	10	10	10	Furniture + AV Equipment gifts in kind. See lines 22 & 24 above	50	0	0	Volunteer time 70hrs per week @£10 per hour	36.5	36.5	36.5	Total fundraising	148.5	99.5	101.5	
Fundraising	Year 1 £'000	Year 2 £'000	Year 3 £'000																												
Financial Grants - all sources	50	50	50																												
Membership Scheme	2	3	5																												
Sponsorships/Donations Gift Aid	10	10	10																												
Furniture + AV Equipment gifts in kind. See lines 22 & 24 above	50	0	0																												
Volunteer time 70hrs per week @£10 per hour	36.5	36.5	36.5																												
Total fundraising	148.5	99.5	101.5																												
1.2.3 Have the governance structure, management roles and responsibilities been clarified? Are there any significant gaps? Do they appear reasonable for managing the project going forward?	<p>Business plan Sections 3, 5, Appendix 3</p> <p>Applicant responses to Q. 2, 3, 4 and Appendix B</p>	<p>The CCT is run by its Board of Trustees, who are local residents with varying skills. The board also contracts professional advisors as required, including Richard Bridge who is a Third Sector Consultant and Leader for Community Development and Engagement.</p> <p>The Board of Trustees skills range across a number of areas that are applicable and relevant for the business plan including:</p> <ul style="list-style-type: none"> Local Business Management – 2 x trustees who are local entrepreneurs Property Management and Refurbishment – 1 x trustee who is a project director of a national charity Fundraising – 2 x trustees with experience fund raising and a proven track record <p>in addition to a wider range of additional skills across the board.</p> <p>Within Work Stream 5 of the business plan, CCT have allocated relevant trustees to own appropriate activities either individually or in conjunction as best fits their skills. Any areas that require additional expertise will require the owner of the activity engaging an appropriate professional consultant or member of the community to assist.</p>																													

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
		The skills of the board appear to have been assessed to great detail and relevant ownership of activities appointed as appropriate. There is a clear governance structure and willingness to seek further expertise should this be required.	
1.2.4 Is there a clear resource plan for the project delivery?	Business plan section 15	The applicant has set out a clear resource plan within the Work Streams of the business plan to enable the successful delivery of the project. The resource plan for the capital refurbishment is not yet clear as this will be determined if CCT is appointed the preferred bidder.	
1.2.5 Is there evidence of skills and capacity within the organisation to manage the asset and to ensure they are able to deliver the proposed activities?	Business plan appendix 3 Applicant responses appendix B	The CCT has provided detailed biographies of the trustees, clearly setting out their skills as well as providing a skills audit matrix to identify any areas of weakness where additional personnel are needed. Investment is the only area that the board considers there to be limited expertise. This is not considered critical for this project as there is not considered to be a large requirement for investment skills.	
1.2.6 Are the building development plans feasible and appropriate to deliver the proposed activities? Do the costs appear realistic? Are there any omissions?	Business plan section 7 Applicant responses Q. 6	The applicant intends to maximise the existing space and facilities, redevelop and repair as recommended by professional advisors. There are no imminent building plans required to get the building ready for use other than minor repairs and redecoration. Therefore, all considered fully achievable to get the Library ready for use. A budget has been allocated to building costs that should be sufficient to cover these minimal costs. The applicant has obtained expert advice from Butler Hegarty Architects on the major repair, restoration and redevelopment of the library. This states required capital expenditure being in the region of £3 million to £5 million. Given this advice has been provided by a verified professional architects firm, the estimates are considered realistic.	
1.2.7 Have all reasonable costs been considered? E.g. building maintenance, compliance, permits	CCT3 3 year budget projections Vo 5	The costs considered in the forecasts include staff, marketing, utilities, cleaning, gardening, insurance/security, licenses, maintenance and repairs, office costs and legal.	

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met															
and licences, utilities and cleaning?																		
1.2.8 Does the applicant identify and demonstrate how they will meet ongoing building maintenance and compliance issues (public access and associated statutory requirements)?	CCT3 3 year budget projections Vo 5 Applicant responses Q. 13	The applicant has forecast a budget for repairs, maintenance, cleaning etc of £35k per annum, along with legal and professional services of £5k per annum.																
1.2.9 Have project risks been identified? Have mitigating actions been identified to address these risks?	Applicant responses appendix A	CCT has identified areas where there is risk to the business plan and what the mitigation of risks are.																
		<table border="1"> <thead> <tr> <th>Risk identified</th> <th>High, Medium, Low Taking into account likelihood and impact</th> <th>Risk mitigation</th> </tr> </thead> <tbody> <tr> <td>1. Asset transfer does not proceed</td> <td>Medium</td> <td>Encourage Lambeth to move ahead as quickly as possible. CCT to meet all requirements as quickly as possible.</td> </tr> <tr> <td>2. The Trust is not legally compliant</td> <td>Low</td> <td>The Trust will develop and adhere to the policies and best practice endorsed by the Charity Commission using recognised tools to help them such as PreVISIBLE . http://www.visiblecommunities.org.uk/index.php?page=10</td> </tr> <tr> <td>3. The building has fallen into greater disrepair since closure in March 2016 and unseen by CCT since March 2016</td> <td>Medium</td> <td>Prepare to act quickly with Lambeth Council once Preferred Bidder Status agreed</td> </tr> <tr> <td>4. Failure to protect the building and other assets</td> <td>Medium</td> <td>The Trust will protect the assets of the charity by purchasing comprehensive insurance cover and provide security by adequate staffing. The Trust will develop a Conservation Management Plan. The Trust will develop financial procedures to safeguard the financial assets of the charity, develop a sustainable budget and monitor the</td> </tr> </tbody> </table>	Risk identified	High, Medium, Low Taking into account likelihood and impact	Risk mitigation	1. Asset transfer does not proceed	Medium	Encourage Lambeth to move ahead as quickly as possible. CCT to meet all requirements as quickly as possible.	2. The Trust is not legally compliant	Low	The Trust will develop and adhere to the policies and best practice endorsed by the Charity Commission using recognised tools to help them such as PreVISIBLE . http://www.visiblecommunities.org.uk/index.php?page=10	3. The building has fallen into greater disrepair since closure in March 2016 and unseen by CCT since March 2016	Medium	Prepare to act quickly with Lambeth Council once Preferred Bidder Status agreed	4. Failure to protect the building and other assets	Medium	The Trust will protect the assets of the charity by purchasing comprehensive insurance cover and provide security by adequate staffing. The Trust will develop a Conservation Management Plan. The Trust will develop financial procedures to safeguard the financial assets of the charity, develop a sustainable budget and monitor the	
Risk identified	High, Medium, Low Taking into account likelihood and impact	Risk mitigation																
1. Asset transfer does not proceed	Medium	Encourage Lambeth to move ahead as quickly as possible. CCT to meet all requirements as quickly as possible.																
2. The Trust is not legally compliant	Low	The Trust will develop and adhere to the policies and best practice endorsed by the Charity Commission using recognised tools to help them such as PreVISIBLE . http://www.visiblecommunities.org.uk/index.php?page=10																
3. The building has fallen into greater disrepair since closure in March 2016 and unseen by CCT since March 2016	Medium	Prepare to act quickly with Lambeth Council once Preferred Bidder Status agreed																
4. Failure to protect the building and other assets	Medium	The Trust will protect the assets of the charity by purchasing comprehensive insurance cover and provide security by adequate staffing. The Trust will develop a Conservation Management Plan. The Trust will develop financial procedures to safeguard the financial assets of the charity, develop a sustainable budget and monitor the																

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
		finances/budget at every meeting of the Board. The Trust will immediately upon an agreement for the Asset Transfer being signed.	
5. Community remains reluctant to engage with the new arrangements for Carnegie		Low	CCT will actively engage the community as soon as preferred bidder status indicated
6. Staff recruitment slows down delivery		Medium	CCT will prepare and move forward actively with staff recruitment as soon as preferred bidder status indicated
7. Low volunteer recruitment slows down delivery		Medium	CCT will prepare and move forward actively with volunteer recruitment as soon as preferred bidder status indicated. CCT will produce a „best practice“ volunteer policy and procedure to ensure that volunteers are valued and enjoy their work with CCT in order to ensure that volunteer retention is maximised.
8. Failure to comply with duty of care for everyone using the building regards to Health and Safety and Safeguarding		Low	The Board fully understand that Health and Safety – including Safeguarding – is the direct responsibility of the Trustees and that this responsibility cannot be delegated– Corporate Manslaughter Act. The Trust will develop further the skills of the Trustees in this area and will develop and review policies and procedures including an Incident Reporting Log and nominated leads.
9. Poor performance of the Board of Trustees		Medium	The Charity Commission requires the Trust to regularly review its strategic work and review its performance. This process has already been developed (see governance) and will be repeated annually to ensure the Trust has the skills and expertise to successfully take forward the charity. The Trust will develop a Training strategy for Trustees, staff and volunteers and review regularly. We will seek feedback and take time out for review.
10. Fund raising slows down delivery of the project		medium	CCT will recruit volunteers with Fundraising experience and prioritise bids as soon as preferred bidder status is confirmed in writing

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
		11. Operational delivery of the project does not achieve income targets	High CCT will phase expenditure to align with income eg Staff will be on fixed term contracts. Unfunded commitments will not be made in respect of the building.
		12. Lambeth Library Service cannot continue to support Carnegie due to financial pressures	Medium Develop contingency plans for independent provision of the library
		13. Inability to build and maintain a reserve fund	Medium The Trust will develop a reserves policy initially based on 3-months running costs. The reserves policy will be reviewed annually.
		14. Breach of Capital or Revenue Grant Conditions	Low Trustees will routinely review conditions and take action. Each grant will have a nominated Trustee.
		15. Breach of Lease Conditions	Low Trustees and Premises Manager will routinely monitor
		16. Inability to raise capital funding to make building improvements	Medium The Trust will working closely with HLF and wider capital funders towards making a capital funding application, making the application more likely to succeed
		17. Customers receive poor service	Low The Trust will carefully recruit and select staff and volunteers to ensure they reflect the ethos and values of the organisation. All will receive induction, training development and performance reviews. Feedback will be sought regularly and suggestions given careful consideration. A User Group will meet regularly and will report regularly to the trustees
1.2.10	Have the potential constraints associated with this proposal been identified?	Applicant responses Q. 12	The applicant has considered constraints when assess the risks of the business plan, the main possible constraint is detailed in the risk register above, item 11, Operational delivery of the project does not achieve income targets. An additional constraint is considered to be the ability to raise the level of funding required for the capital refurbishment, however, it is too early at this stage to assess the severity of this.
1.2.11	Have any further risks been identified from review of bank	Business plan section 3	The CCT was set up in October 2016, the bank account has been set up and funds of £24, 309 have been deposited.

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
statements or Companies House records?	Applicant responses appendix D	The registered charity number has been provided and this has been verified to the England and Wales Charity Commission website. Carnegie Community Trust CIO – Registered number 1164005 No further risks were identified from the documented we reviewed.	
1.3 Compliance with regulations and laws			
1.3.1 Have relevant potential legal and tax liabilities been factored in and mitigations identified if needed?	Applicant responses Q. 13	<p>The applicant has made consideration for tax or VAT liabilities. An allowance for legal and professional expenditure has been provided of £4k per annum over the first three years where professional advise will be sought as required.</p> <p>At present CCT have made the following assessments and assumptions~:</p> <p><i>Legal and Charitable:</i></p> <p>In common with all charities CCT must only do things that further and promote these objects and its Public Benefit duties. Legally the charity is governed by charity statute law (the Charities Act 2011) and its constitution though it must also pay due regard to all other relevant statute law in pursuit of its activities, such as Health and Safety, Equalities, and Employment law. The Trustees are aware of their legal and fiduciary obligations and have received advice on these matters from external specialists, and will take all appropriate measures to meet these obligations, keeping such practices under constant review.</p> <p><i>Tax:</i></p> <p>If CCT is selected as the Preferred Bidder, will take appropriate professional advice. It is expected that all CCT's proposed activities that are income generating (room hire and charges for some services/activities such as the Homework Club) are all in direct pursuit of the charitable objects of CCT and, therefore, constitute primary charitable trading which is exempt from tax. We are aware of charitable trading rules and will separate out any non-primary or ancillary trading if needed. We expect to receive at least the statutory 80% charitable Business Rate relief. Further, HMRC have a longstanding view that hire of space in an asset owned by the charity is not income from trading but investment income which is also exempt from taxation and does not count towards any of the various charitable trading tax regulations or thresholds. However, the Trustees do recognise that as the projected turnover of the Trust will be in excess of the VAT threshold of £83,000 they will need to consider charging VAT on its space hire and other charges, and will register for VAT with HMRC at the appropriate time. They will be guided on VAT and other tax matters such as Gift Aid by their tax adviser and auditor.</p>	

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
1.3.2 Has the organisation identified relevant legislation and/or statutory requirements? Does it demonstrate how it will be compliant with these (disability access, health and safety)?	Business plan section 10	<p>CCT states that the following policies and procedures are in place and that these policies will be reviewed annually and updated where necessary:</p> <ul style="list-style-type: none"> • Trustee Induction Policy and Procedure (including a 'Fit and Proper Person' declaration on trustee disqualification and induction pack • Health and Safety Policy including risk assessments and a specific fire risk assessment • Safeguarding Policy • Risk Strategy and Risk Register • Data Protection Policy • Equalities and Diversity Policy • Volunteering Application Form. • Financial Controls Policy • Hire Agreement and Pricing Policy <p>Once the asset transfer is agreed CCT will also put in place the following policies:</p> <ul style="list-style-type: none"> • Staff Recruitment and Selection Policy and Process • Volunteer Management Policy • Conflict of Interest Policy • Insurance cover • Fire Certificate • Entertainment and Alcohol Licence • First Aid Procedures • Food Hygiene procedures and certificates 	
1.3.3 Does the business plan represent any risks relating to State Aid compliance, such	Business plan	<p>The terms of the asset transfer have not yet been agreed.</p> <p>In accordance with the agreed scope for this review, we have not considered if this will lead to any risks in relation to State Aid compliance. Lambeth Council will need to consider all potential state aid implications.</p>	

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met / partially met / not met
as a transaction below market value?			

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
2 The idea			
2.1 Beneficiaries of the proposal			
2.1.1 Is there a clear plan for the use of the asset and how this will benefit the community?	Business plan section 1, 5 & 6	<p>The CCT plan seeks an early Licence to Occupy from Lambeth Council to enable the Trust to get activity going and then proceed to full asset transfer of the Carnegie building (excluding the four flats) for a minimum of 75 years by January 2018. The plan will transform the Carnegie building from a much-loved public library that has for many years been under-used into a vibrant, exciting and industrious hub at the heart of our community. The plan will also deliver the investment of external capital required to protect the architectural and cultural legacy of the Carnegie. It will do this through three core Programmes:</p> <p>The Learning and Enterprise programme will encompass:</p> <ul style="list-style-type: none"> • The public library and will provide community leisure, research, homework, job seeking and entrepreneurial activities. • The Enterprise Centre which will consist of dedicated office space for hire to local entrepreneurs, business start-ups and self-employed. • The Homework Club which will run for two hours each weekday in a safe and supportive environment • Training and Conference facilities via hiring out the main hall and meetings rooms for events. <p>The Community and Well-Being programme will encompass~:</p> <ul style="list-style-type: none"> • Community led groups where the CCT will provide space for the groups to meet • Community Activities organised by CTT including parties, gardening and horticulture, neighbourhood advice, employment advice, financial advice and discussion groups. • The Café which will aim to use local sources and seek to offer opportunities for employment to the local community. <p>The Performance and Arts Programme will encompass:</p> <ul style="list-style-type: none"> • A mixed programme of events managed mainly by CCT or external group to include performance of music, theatre and dance; arts workshops; and debates and talks. <p>Each Programme will be underpinned by the Trust's commitment to good governance, heritage, sustainability and the environment.</p>	<p>A</p> <p><i>The long term capital refurbishment funding required is in the region of £5 million. This is a significant sum to be raised and as such LBL should consider the ability for CCT to raise these funds, given that no funds have been secured to date. The applicant is targeting the Heritage Lottery Fund to fund up to £2 million, but it is not clear which other potential funders may be targeted to meet the total requirement.</i></p>

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
		<p>Implementation of the Plan will be achieved through income-generation consistent with the Trust's aims and the use of volunteers and expert advisers from across the community. The Trust will open up membership to the community through an Associate Membership Scheme and strive to ensure that all parts of the community are actively engaged.</p> <p>The Trust will work with sponsors, funding bodies, stakeholders and the community to generate capital grant for refurbishments and start-up costs and take responsibility for the financial oversight of the building under the asset transfer managing effectively any subleases and its own programmes.</p>	<p><i>The CCT has assumed £87k per annum of rental income from the GLL for the rental of the gym space, which has not yet been agreed with GLL.</i></p> <p><i>The level of annual income from the multiple income streams varies and the basis for this should be reviewed in line with LBL similar assets to ensure it is achievable.</i></p> <p><i>CCT has not supplied forecast balance sheet (working capital) or cash flow statements. As a result, no assessment has been performed over the implications of the planned activities on</i></p>

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
			<p><i>working capital or cash balances.</i></p> <p><i>The proposed method of transfer of the asset is not clear as the mechanism of asset transfer has not yet been agreed.</i></p> <p><i>Therefore, capital spend on purchase or lease payments has not been accounted for in the financial projections. Any change in the assumption that the asset will transfer at no cost through grant of a long lease at a peppercorn rent, could have a significant impact on the viability of the project.</i></p>

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
2.1.2 Is there a clear understanding of the benefits of the proposal to the Council, including any likely efficiencies or non-financial benefits?	Business plan section 1, 5 & 6	The expected benefits to the community from the plan proposed by the applicant are listed above which will be delivered through reorganisation of the Library's space, services and activities by the CCT. This will allow the Council to focus its attention and financial efforts in providing benefits to other areas of the community.	
2.2 The need			
2.2.1 Is there evidence of a need for the proposed activities, with evidence of consultation, engagement and partnership working?	Business plan section 2	<p>A public consultation on future uses of the building preferred by the community was carried out over three months from November 2014 to January 2015 and the results confirmed that the community strongly wishes to have a continuing library service, community activity, a café and a cultural programme (Results of the Public Consultation on the Options Appraisal – March, 2015).</p> <p>Based on the information received from the consultation, CCT analysed these requirements whilst determining the business plan to ensure they are meeting the needs of the local community.</p> <p>Further engagement and consultation from the local community could be evidenced, such as local community surveys and statistics from such surveys showing what the local community want from the Library.</p>	
2.2.2 Are the market assessment findings evidenced? This should consider whether projected future demand and usage is supported in relation to overall viability of the proposal.	Business plan section 2	As detailed in 2.2.1 above, CCT has considered the output of the public consultation undertaken in 2014/15.	
2.3 Link with boarder Council strategies			
2.3.1 Does the applicant clearly set out how this project aligns	Business plan section 3	CCT clearly sets out how the project aligns with the aims of the council within section 3 of the business plan, Vision, Mission, Values and Governance.	

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
<p>with the stated aims of the Council i.e.</p> <ul style="list-style-type: none"> • Stimulate creation of new social markets • Underpin robust community enterprises capable of delivering high quality local services • Provide residents with new learning and employment opportunities? 		<p>In summary the key alignments are considered to be:</p> <p><i>Vision</i></p> <p>The Carnegie Community Hub will be a thriving sustainable centre of local activity attractive to the whole community for developing employment opportunities, learning, fitness and wellbeing, cultural and social activity. The fabric of the building will be protected and enhanced and its history and legacy both protected and celebrated.</p> <p><i>Mission of the Carnegie Community Trust (CIO)</i></p> <p>To work collaboratively with other organisations to improve the quality of life for all the community by:</p> <ul style="list-style-type: none"> • Providing facilities for employment, social, educational and recreational purposes • Preserving and conserving the historical, architectural and constructional heritage of the Carnegie Library building in Lambeth • Promoting other charitable purposes from time to time <p><i>Charitable objectives</i></p> <ul style="list-style-type: none"> • The CCT will manage and develop the Carnegie building on behalf of the community as a Community Hub and Enterprise Library, enhancing the lives of our local communities, strengthening the local economy, supporting local culture and encouraging wellbeing. • The long-term sustainable future of the Carnegie Library building in Herne Hill will be secured as a community owned and managed asset. • The building will provide wide public access and community use to include an Enterprise Library and a wide range of activities that complement the literary, cultural and creative ethos originally envisaged in Andrew Carnegie's endowment. • The historical legacy and the architectural fabric of the building will be secured. <p><i>Values that drive our Vision and Mission</i></p> <ol style="list-style-type: none"> 1 Owned by the community – run by the community 2 The needs and aspirations of the widest possible range of local residents is at the heart of everything we do 3 Embracing enterprise and partnerships 4 Democratic 5 Working together with integrity - one team, one aim 	

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met																												
		6 Open, transparent, accountable and professional																													
2.4 Value for money																															
2.4.1 In determining value for money, does the projected usage in the market assessment generate the necessary amount of revenue to self-finance the new building and cover running costs?	CCT3 3 year budget projections Vo 5	<p>The business plan does not generate the necessary amount of revenue to self-finance the operational running over the first three years. It is heavily reliant on fundraising as detailed in 1.2.2 above.</p> <p>Assuming this fundraising and the significant level of income from the Gym space is achieved then the cash flow shows cumulative reserves of £110k by the end of year 3. This is ambitious, however it does show that if all the fundraising is not achieved then there is still a margin for leeway.</p> <p>The nature of the asset transfer and the valuation of the asset has not yet been confirmed, but within the current business plan there is no funding provision for the purchase of the asset.</p> <p>Until the detail of the asset transfer transaction is determined and agreed, it is not possible to conclude whether CCT will be able to cover its total running costs (i.e. the financial implications of the transfer transaction)</p>																													
2.4.2 Are income and expenditure projections evidenced and realistic? This should test the assumptions made around ongoing expenditure, current and future revenue generating streams as follows:	Business plan CCT3 3 year budget projections Vo 5 Applicant responses Q. 18	<p>The income and expenditure projections appear ambitious, however there is a clear governance structure and plan in place to achieve this.</p> <p>CCT has not supplied forecast balance sheet (working capital) or cash flow statements. As a result, we have not been able to assess the implications of the planned activities on working capital or cash balances.</p> <p>Income</p> <p>The current business plan forecast expects £159k-£194k income from rentals (incl. the gym) and sales from the café and £102k-£149k from grants and funding per annum over the first three years. This income has been based on rental value per square foot as advised from Ingham Pinnock in 2014 for the purpose of the Options Appraisal by Butler Hegarty Architects.</p> <table border="1"> <thead> <tr> <th>Income</th> <th>Year 1 £'000</th> <th>Year 2 £'000</th> <th>Year 3 £'000</th> </tr> </thead> <tbody> <tr> <td>Rentals</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Basement 5,800 sqft@£15persqft</td> <td>87</td> <td>87</td> <td>87</td> </tr> <tr> <td>Enterprise Centre</td> <td>30</td> <td>60</td> <td>60</td> </tr> <tr> <td>Space Hire</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Community rate</td> <td>15</td> <td>15</td> <td>15.45</td> </tr> <tr> <td>Commercial rate</td> <td>20</td> <td>20</td> <td>20.6</td> </tr> </tbody> </table> <p>Cafe</p>	Income	Year 1 £'000	Year 2 £'000	Year 3 £'000	Rentals				Basement 5,800 sqft@£15persqft	87	87	87	Enterprise Centre	30	60	60	Space Hire				Community rate	15	15	15.45	Commercial rate	20	20	20.6	
Income	Year 1 £'000	Year 2 £'000	Year 3 £'000																												
Rentals																															
Basement 5,800 sqft@£15persqft	87	87	87																												
Enterprise Centre	30	60	60																												
Space Hire																															
Community rate	15	15	15.45																												
Commercial rate	20	20	20.6																												
<ul style="list-style-type: none"> What are the profit margins and key financial ratios represented in the business plan and projections? Is there clarity around the key 																															

Criteria	Evidence source reviewed	Appraisers' commentary				Criteria met/ partially met / not met
assumptions driving the projections and how were these calculated? • Based on sensitivity analysis, are there any key risks to the projections?		Sales or Franchise	5	10.2	10.4	
		Copier/Printer				
		Community use	2	2	2	
		Fundraising				
		Financial Grants - all sources	50	50	50	
		Membership Scheme	2	3	5	
		Sponsorships/Donations Gift Aid	10	10	10	
		Furniture + AV Equipment gifts in kind. See lines 22 & 24 above	50	0	0	
		Volunteer time 70hrs per week @£10 per hourvalue See line 9 above	36.5	36.5	36.5	
		Income Total	307.5	293.7	296.95	

Income Assumptions:

Uses	Rental Value
Library	£11 / sq ft
Nursery	£20 / sq ft
Gym	£15 / sq ft
Studio/Workspace	£11 / sq ft
Café (indicative)	£2.50 / sq ft

These income assumptions appear reasonable, but should also be compared to LBLs financial results for other similar assets. The Gym rental income should also be assessed in line with LBLs initial negotiations with GLL.

Expenditure

Expenditure has been reviewed and is considered sufficient to cover the running costs of the Library, however some costs do appear high. Given that the CCT is expecting significant levels of funding in the first three years, it should be considered if some of these costs have the scope to be reduced to counter act any impact of unachieved funding.

In particular staff costs appear high, CCT does state that staff will be on fixed term contracts, this may be an area that could be flexed in the first few years.

Staff Costs	Year 1 £'000	Year 2 £'000	Year 3 £'000
Centre Manager (inclusive)	45	45	45

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met																																				
		<table border="1"> <tr> <td>Caretaker 16hrs (inclusive)</td> <td>11</td> <td>11</td> <td>11</td> </tr> <tr> <td>Library Manager 30 hrs (inclusive)</td> <td>35</td> <td>35</td> <td>35</td> </tr> <tr> <td>Volunteer Time 70 hrs per week</td> <td>36</td> <td>36</td> <td>36</td> </tr> <tr> <td>Staff and Trustees Training</td> <td>2</td> <td>2</td> <td>2</td> </tr> <tr> <td>Volunteer Training</td> <td>1</td> <td>1</td> <td>1</td> </tr> <tr> <td>Staff Expenses</td> <td>1</td> <td>1</td> <td>1</td> </tr> <tr> <td>Volunteer Expenses</td> <td>1</td> <td>1</td> <td>1</td> </tr> <tr> <td>Employers & Public Liab. Insurance</td> <td>1</td> <td>1</td> <td>1</td> </tr> <tr> <td>Total staff costs</td> <td>133</td> <td>133</td> <td>133</td> </tr> </table>	Caretaker 16hrs (inclusive)	11	11	11	Library Manager 30 hrs (inclusive)	35	35	35	Volunteer Time 70 hrs per week	36	36	36	Staff and Trustees Training	2	2	2	Volunteer Training	1	1	1	Staff Expenses	1	1	1	Volunteer Expenses	1	1	1	Employers & Public Liab. Insurance	1	1	1	Total staff costs	133	133	133	
Caretaker 16hrs (inclusive)	11	11	11																																				
Library Manager 30 hrs (inclusive)	35	35	35																																				
Volunteer Time 70 hrs per week	36	36	36																																				
Staff and Trustees Training	2	2	2																																				
Volunteer Training	1	1	1																																				
Staff Expenses	1	1	1																																				
Volunteer Expenses	1	1	1																																				
Employers & Public Liab. Insurance	1	1	1																																				
Total staff costs	133	133	133																																				
		There are no prior figures available as the CCT was established in October 2015.																																					
2.4.3 Is the proposed method of transfer for the assets clear (e.g. short/long term lease, or sale), and is the rationale and the implications set out in the business plan (e.g. rental payments in the financial forecasts)?	Business plan section 1	The proposed method of transfer of the asset is not clear as the mechanism of asset transfer has not yet been agreed. Therefore, capital spend on purchase or lease payments has not been accounted for in the financial projections. Any change in the assumption that the asset will transfer at no cost through grant of a long lease at a peppercorn rent, could have a significant impact on the viability of the project.																																					
2.4.4 Does the proposal involve the need for investment e.g. capital works to enhance/develop the asset? If so, do the financial projections take this into account (inflow and repayment of any	Applicant responses Q.5 CCT3 3 year budget projections Vo 5	The CLA do not anticipate any capital expenditure, just minimal redecoration and set up costs at a maximum of £10,000.																																					

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
capital investments)?			
2.4.5 Where investment is required, is there any dependency on external funding requirements? If so, have these been secured (evidence provided to support external investments e.g. letters of funding offers including terms and conditions for repayment)?	Applicant responses Q.27, 28 & 29 CCT3 3 year budget projections Vo 5	The CCT intends to secure £50k of funding for year one within 4 months of being designated the preferred bidder. There is dependency on achieving this funding to enable the initial set up of the Library ready for opening. CCT comments that no funding is guaranteed these days but they have scoped a range of options and worked to ensure any applications we would make fit with the aims of those bodies, and the board has a number of trustees with fundraising capabilities.	
2.4.6 Where investment is being sought from other sources (internal within the organisation), are these clear and supported (e.g. letters of intent from directors etc)?	Applicant responses Q.8 & 28	Initial funding prior to January 2018 of £50k is to be raised to facilitate initial operations.	
3 Cooperative			
3.1 How involved have local communities/ residents been in informing the development of the proposal? Is this clear from the evidence supplied?	Business plan 1, 3 & 14	The CCT have sought on the public consultation undertaken in 2014/15 determine the needs of the local community. The CCT states that it have an extensive database of people who are interested in helping with the Library through volunteering, offering commercial opportunities or hearing further about their work. The CCT continues to enlarge this database. Limited evidence has been seen of this and no input has yet been verified. Other than the board of trustees there is currently limited evidence supplied of local community/resident support.	A <i>The CCT has demonstrated engagement with the local community.</i>

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
		<p>The CCT is committed to setting up an Associate Membership Scheme, whereby they will invite members of the community and other interested parties to become Associate Members to encourage a sense of ownership within the community. This Associate Membership Scheme will then convene twice a year to provide information and to consult and give direction to the CCT.</p> <p>The CCT plans to move towards the Association Model of Charitable Incorporated Organisation in due course.</p>	<p><i>However, evidence to support this is limited. For example, we have not been provided with any statistical information (such as community surveys of focus groups' feedback) to support the business plan aims and objectives.</i></p> <p><i>The CCT has set out their on-going marketing and communication strategy, which will include a variety of media to reach as many people in the community as possible and to keep them informed of activities at the Library.</i></p>

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
3.2 Does the proposal intend to generate activity that offers opportunity for the broadest possible engagement with communities (diversity), including traditionally excluded communities?	Business plan section 5 & 6	<p>CCT intends to increase the utilisation of the Library space and enhance the basement space. This space will be operated in three programmes:</p> <p>1 The Learning and Enterprise Programme</p> <p>The Library - the CCT will prioritise the restoration and continuation of a library service within the Carnegie building and the library will remain located on the ground floor and will use a mobile bookshelf arrangement which will enable flexible use of the main floor for other activities and events. The library will be integral to the enterprise of all members of the community for leisure, research, homework, job seeking and entrepreneurial activity.</p> <p>The Enterprise Centre - is the space in the building that we will dedicate for hire as office space for local entrepreneurs, business start-ups and self-employed. Prior to closure of the building in April 2016 two large rooms were leased to London Arts Base for this purpose. London Arts Base were introduced to the building by the STB in 2014 and held a lease and paid a monthly fee to LBL, CCT will re-establish the Enterprise Centre making increased space available and will include a new "hot desk" facility.</p> <p>The Homework Club - will run for two hours each weekday for study for young people aged 8 to 16 who have registered to attend. This will be a safe and supportive learning environment for local young people, many of whom have insufficient space or quiet at home in which to study.</p> <p>2 The Community and Wellbeing Programme</p> <p>Community led groups - CCT will work in partnership with community-led groups and, where possible, will restore former community groups to the building including:</p> <ul style="list-style-type: none"> • Literacy and Reading Groups • University of the Third Age • South London Cares • IT Support Club • Music and Singing Groups • Groups for parents and children • Yoga, dance and fitness groups • Community led meetings • Carnegie Chess Club 	

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
		<p>Community Activities - New community activities will be introduced reflecting received expressions of interest including:</p> <ul style="list-style-type: none"> • Parties, weddings, celebrations • Gardening and horticulture working with the Friends of Ruskin Park • Neighbourhood Advice • Support groups for mental health • Employment advice • Financial advice • ESOL • Discussion group <p>The Café - will be the real social centre of the Community Hub. The café will initially be run by an identified, rostered team of volunteers, including a lead volunteer</p> <p>3 The Performance and Arts Programme</p> <p>A mixed programme of events which introduces new, mainly single, activities will be managed by CCT or external groups of individual hirers and include:</p> <ul style="list-style-type: none"> • Performance of music, theatre and dance • Arts Workshops • Debates and talks <p>The current demographic using the building is already quite diverse, however through this range of offerings the CCT is confident it will increase the opportunity for broader engagement with the community.</p>	
<p>3.3 Does the proposal demonstrate methods and activities of ongoing consultation and</p>	<p>Business Plan Section 14 Applicant responses to Q. 22 & Q.7</p>	<p>The applicant states that it will continue to consult the local community via surveys and feedback, and via positioning volunteers on management committees.</p> <p>CCT proposes to establish a Management Committee to oversee the day-to-day activities and the offer of the Community Hub composed of representatives from local groups and users. See section 3 of the business plan. We will continue to use periodic specific consultation exercises to help plan future services. They also intend to establish a membership scheme</p>	

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
involvement of local communities?		<p>and eventually convert the CIO into an associational model CIO from its current legal format as a foundational CIO so giving members the overall control of the Trust, its activities and its members.</p> <p>On-going marketing and communication will be done through a variety of media to reach as many in our community as possible to keep them informed of activities at the Building including:</p> <ul style="list-style-type: none"> • Produce and circulate via email and some hard copies of bi-annual Newsletters. • Use of our website at http://carnegiehernehill.org.uk/ which we keep updated with news and relevant information. • Use of social media accounts Twitter and Facebook. • Growing the existing database through which we e-mail monthly news and events. • Notices will also be used to publicise events. • Continued relationships with partners and other local community groups who can help cascade information through their networks for example Herne Hill Forum who have an email database of 7500 and over 70,000 unique annual users. • Continue to contribute as an original and active member of the Lambeth Community Hubs Network, which provides networking and joint marketing opportunities across the whole of Lambeth. <p>If CCT are selected the preferred bidder, prior to taking on the lease in early 2018 we they have indicated that they will develop a more detailed marketing and communications plan.</p>	



PwC firms provide industry-focused assurance, tax and advisory services to enhance value for their clients. More than 163,000 people in 151 countries in firms across the PwC network share their thinking, experience and solutions to develop fresh perspectives and practical advice. See www.pwc.com for more information.

© 2017 PwC. All rights reserved. Not for further distribution without the permission of PwC. "PwC" refers to the network of member firms of PricewaterhouseCoopers International Limited (PwCIL), or, as the context requires, individual member firms of the PwC network. Each member firm is a separate legal entity and does not act as agent of PwCIL or any other member firm. PwCIL does not provide any services to clients. PwCIL is not responsible or liable for the acts or omissions of any of its member firms nor can it control the exercise of their professional judgment or bind them in any way. No member firm is responsible or liable for the acts or omissions of any other member firm nor can it control the exercise of another member firm's professional judgment or bind another member firm or PwCIL in any way.