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# *Carnegie Library Association*

***Lambeth Council***

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

*February 2017*



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# *Executive Summary: Carnegie Library Association*

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## **The organisation**

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

The Carnegie Library Association (“CLA”) was set up by Friends of Carnegie Library in partnership with eight other groups comprising Carnegie Library Users Consultative Group in January 2016.

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

The Association is governed by the 8 trustees of the board plus up to 8 other members that will be elected. These trustees have a breadth of skills that will aid in achieving the overall business plan.

The applicant intends to revitalise the Library and raise its profile within the local area and beyond. In addition, it intends to lead a campaign to prevent closure of the Library and to ensure its continued use as a free public library or the community.

## **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 CLA intends that the Library should continue to cater for the requirements of the local community but also to revive the Library as a financially viable and sustainable community resource.

As the plans for the Gym in the basement have not yet been approved, CLA have prepared two finance proposal to accompany the business plan, one with the Gym in the basement as CLA recognise this to be London Borough Lambeth (“LBL”) preferred option, as well as a second option with the CLA’s preferred use of the basement as Self-Storage rental.

The exact nature of the asset transfer has yet to be agreed.

The applicant states the proposal should benefit inhabitants of Lambeth Borough and its neighbourhood.

## **Financial summary**

- 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.

The current plan includes minimal upfront spend of £10k, of which CLA hope to obtain funding from London Borough Lambeth (“LBL”) to fund this.

The mechanism of asset transfer and the value of the asset has not yet been determined.

The revenue generated is expected to start at £77k in year one increasing to £134k in year three from workspace rental, event hire, retail sales, community activities and either gym rental or self-storage depending on the use of the basement space. The current market value of the building is not clear.

The applicant is a registered charity. The charity was incorporated in 2016 and was set up by the Friends of Carnegie Library which has been running for 17 years.

## **External funding**

CLA forecasts minimal initial funding to set the library up for operational use, £9,355 has already been secured and a further £10,000 is hoped to be received from LBL.

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Exterior repairs and maintenance will be required to the Library in the future, CLA hopes to receive a grant for this, however no grant funding has been agreed. This will be applied for in the future and supplemental funding raised as required.

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**Cooperative**




- 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?
- Does the proposal demonstrate methods and activities of ongoing consultation and involvement of local communities?

The CLA 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.

The applicant will provide opportunities to the local community via a number of activities such as;

- A place for local community groups and clubs to meet (some income generating);
  - Providing a community area for locals to meet and socialise;
  - Educational and literacy classes;
  - Local enterprise start-up incubator space; and
  - Space for small local producers and business to retail products, such as local artwork.
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## *Appraisal conclusion against agreed criteria*

Criteria	RAG Rating	Key issues for consideration
<b>1 The Organisation</b>		<p>CLA has not yet produced a detailed capital refurbishment plan, but it does recognise the importance of safeguarding the building, therefore the applicant will put a plan in place for this in the future.</p> <p>The level of expertise of the trustees should be considered to transform the Library into a self-sustaining business with the ability and experience required to cater for the future repairs and refurbishment that will be required.</p>
<b>2 The Idea</b>		<p>The estimated long term capital refurbishment funding required is in the region of £100k over the next 10 year, this should be assessed by LBL as to the sufficiency of capital refurbishment expected to be required within the next 10 years.</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>
<b>3 The Cooperative</b>		<p>The CLA has demonstrated good engagement with the community, undertaking a number of surveys and pulling on existing surveys to ensure they meet the local community's needs and engagement with the local community, however this level of engagement should be quantified to ensure that the business plan is achievable.</p>

## Summary Financials: Carnegie Library Association – with Gym

	Year 1 Ended 31/12/2018	Year 2 Ended 31/12/2019	Year 3 Ended 31/12/2020
<b>Profit and loss forecast</b>			
Income	£77,700	£105,160	£134,548
Direct costs	(£3,510)	(£6,760)	(£10,010)
<b>Gross profit</b>	<b>£74,190</b>	<b>£98,400</b>	<b>£124,538</b>
Overheads (incl. depn and tax)	£58,912	£87,380	£109,593
<b>Net profit</b>	<b>£15,278</b>	<b>£11,020</b>	<b>£14,945</b>
<b>Cashflow forecast</b>			
Inflow – library activities	£66,900	£100,672	£135,448
Inflow – gym rental	£24,000	£24,480	£24,970
Inflow - financing and grants	-	-	-
Outflows – general expenses	(£68,965)	(£73,333)	(£92,168)
Outflow - staff	-	(£38,995)	(£49,685)
<b>Net contribution</b>	<b>£21,935</b>	<b>£12,824</b>	<b>£18,565</b>
<b>Funds at 1 Jan</b>	<b>-</b>	<b>£21,935</b>	<b>£34,759</b>
<b>Funds at 31 Dec</b>	<b>£21,935</b>	<b>£34,759</b>	<b>£53,324</b>

- No balance sheet forecasts supplied

## ***Summary Financials: Carnegie Library Association – with Basement Rental (without Gym)***

	Year 1 Ended 31/12/2018	Year 2 Ended 31/12/2019	Year 3 Ended 31/12/2020
<b>Profit and loss forecast</b>			
Income	£67,400	£94,654	£123,832
Direct costs	(£3,510)	(£6,760)	(£10,010)
<b>Gross profit</b>	<b>£63,890</b>	<b>£87,894</b>	<b>£113,822</b>
Overheads (incl. depn and tax)	£56,852	£85,279	£107,450
<b>Net profit</b>	<b>£7,038</b>	<b>£3,293</b>	<b>£5,371</b>
<b>Cashflow forecast</b>			
Inflow – library activities	£66,900	£100,672	£135,447
Inflow – basement storage & office rental	£11,640	£11,873	£12,111
Inflow from financing and grants	-	-	-
Outflows – general expenses	£67,420	£79,192	£87,934
Outflow - staff	-	£28,995	£49,685
<b>Net contribution</b>	<b>£11,120</b>	<b>£4,368</b>	<b>£9,939</b>
<b>Funds at 1 Jan</b>	<b>-</b>	<b>£11,120</b>	<b>£15,488</b>
<b>Funds at 31 Dec</b>	<b>£11,120</b>	<b>£15,488</b>	<b>£25,427</b>

- No balance sheet forecasts supplied

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## ***Important notices***

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

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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 Carnegie Library Association 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
<b>1 The organisation</b>			
<b>1.1 Intended use and additional activities</b>			
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 & 3	<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 was open from this date until March 2016, when the Library was closed as part of the revision of its library services, pursuant to the community asset transfer process.</p> <p>The Carnegie Library Association ('CLA') was incorporated as a charitable incorporated organisation in January 2016, set up by the Friends of Carnegie Library in partnership with eight other groups forming the Users Consultative Group.</p> <p>The CLAs purpose as per the Constitution is:</p> <ul style="list-style-type: none"> <li>to revitalise the Library, raise its profile within Lambeth, Southwark and the surrounding area;</li> <li>lead a vigorous campaign to prevent closure of the Library and to ensure its continued use as a free public library for the community; and</li> <li>to liaise with Friends of Lambeth Libraries and other library friends groups to save and promote local libraries.</li> </ul> <p>The CLA intends to revitalise the Library and re-establish it as an arts and learning facility. The key services the library would offer under this business plan are:</p> <ol style="list-style-type: none"> <li>Library Service – free</li> <li>Workspace rental (desk space/studio &amp; room hire)</li> <li>Event hire (such as weddings, filming &amp; conferences)</li> <li>Retail sales (complementary product range such as stationary)</li> <li>Community activities (regular and ad-hoc clubs and scheduled events)</li> <li>Gym (optional – run by gym operator paying rent of £20k pa)</li> </ol>	<div style="text-align: center; color: orange; font-size: 2em; font-weight: bold;">A</div> <ul style="list-style-type: none"> <li><i>CLA has not yet produced a detailed capital refurbishment plan, but it does recognise the importance of safeguarding the building, therefore the applicant will put a plan in place for this in the future.</i></li> <li><i>The level of expertise of the trustees should be</i></li> </ul>

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
		<p>It appears from review of other Library statistics that Carnegie Library has scope to increase population of visitors to the Library as the library was previously not catering to a lot of the working class demographic of the local community, therefore the CLA hopes to engage with this demographic and meet their needs, thus increasing the visitor population of the Library. This combined with the known high white collar population in the area gives reasonable expectation that this visitor footfall can be improved significantly with appropriate marketing and revitalisation. CLA anticipate the visitor footfall to increase by 30% year on year over the next three years.</p> <p>The CLA does not anticipate any capital expenditure other than minimal redecoration costs and legal fees of £10,000. The applicant intends to maximise the existing space and facilities to enable the above plan. It has been identified that the exterior of the Library will require maintenance in the future, it is not yet clear when this will be. In the past the Library has received grants for such works, however the CLA is assuming that only 50% of these repairs will be funded from grants and the remaining 50% will have to be raised by local fundraising.</p> <p>The basement of the Library is proposed to be converted into a Gym. As per the applicant, based on local public consultations and surveys the Gym does not appear to be a popular proposal, however based on recommendations from the 'Culture 2020 Report' for the Library LBL have included the Gym proposal in the plans for the Library and have been negotiating with GLL, the proposed provider of the Gym. CLA have therefore produced two business plans, one including the Gym and one excluding the Gym.</p>	<p><i>considered to transform the Library into a self-sustaining business with the ability and experience required to cater for the future repairs and refurbishment that will be required.</i></p>
<b>1.2 Viability and sustainability</b>			
1.2.1 Is the project design and build timeline reasonable and deliverable?	Business Plan Section 10	The applicant has stated two options for the business plan of the Library. One with the Gym in the basement and one without the Gym, instead the basement would be used for Self-Storage.	
<ul style="list-style-type: none"> <li>Are the key milestones to delivery set out clearly, including resource, costs, risks and dependencies?</li> </ul>	Applicant responses Q. 17 & 18	<p>A clear plan has been set out covering the period pre transfer of the asset from the LBL to CLA, the view is for the CLA to takeover over the Library building management from January 2018.</p> <p>The applicant has not presented any significant milestones or dependencies that they consider relevant to the business plan. Given that the business plan is not overly complex, as there are minimal changes from how the library was previously run by LBL, instead the CLA plan to make more strategic use of existing space and facilities to maximise income and benefits to the community.</p> <p>The applicant set out KPIs to measure the success of its overall strategic objectives, these will be set by the Board and the Library manager will then be responsible for data gathering as well as reporting insight to the Board every month.</p> <p>The CLA will use the following KPIs to monitor Library's performance:</p> <ol style="list-style-type: none"> <li>Number of Library users, and how this changes over time (count records)</li> <li>Satisfaction level with the library book range and 'tailoring' to local needs (survey of users and non-users)</li> </ol>	
<ul style="list-style-type: none"> <li>Has the applicant set out how it will monitor and ensure delivery against these milestones?</li> </ul>			

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
		<p>These KPIs appear limited and the applicant could consider expanding this range to financial and non-financial KPIs covering a broader range of areas, such as financial targets, volunteer recruitment, membership uplift, and footfall.</p> <p>The applicant has also included the following ways it will monitor the Library's impact in the local community:</p> <ul style="list-style-type: none"> <li>c) Satisfaction level with the library as 'a place for the community to come together' Number and nature of local groups using the community space and attending events (from booking records)</li> <li>d) Number and nature of participants on training/educational programmes and events (from booking records)</li> <li>e) Number and nature of jobs retained within the community (from tenant records)</li> </ul>	
1.2.2 Are there any critical dependencies in the project that have not been highlighted?	Business plan section 9 Applicant response Q. 22	<p>The applicant considers the risk register to cover any critical dependencies, however it does not highlight the specific risks it considers critical. From review of the risk register it is assumed that the critical items are those with an impact rating of 4 on the risk register, this includes:</p> <ul style="list-style-type: none"> <li>f) LBL request that CLA proceed subject to GLL lease. The lease is not yet finalised, however LBL have been negotiating with GLL on this independently and CLA have not been provided with any details of these negotiations and have not been permitted to input into the negotiations. Therefore there is a risk that the business plan will not be viable depending on the impact of the final lease terms.</li> <li>g) Gym conversion does damage to the building or its layout, or the building is altered in an unsuitable way</li> <li>h) Unable to secure sufficient funding</li> <li>i) Loss of confidence causes CLA to fall apart (illness / other commitments etc.)</li> <li>j) GLL get right to occupy which is not compatible with a library</li> <li>k) No/insufficient income stream</li> </ul> <p>It is not clear from the risk register which are critical dependencies.</p>	
1.2.3 Have the governance structure, management roles and responsibilities been clarified? Are there any significant gaps? Do they appear	Business plan section 2, 6 Applicant response Q. 2	<p>The applicant states that it will be pulling on resources from the Friends of Carnegie Library who have established an existing group of members over the last 17 years, including solicitors, accountants, marketing and a number of other professional careers.</p> <p>The applicant has provided a comprehensive structure showing relevant management groups, their responsibilities, focus and expertise in the areas, this is considered reasonable for the simple nature of the business plan.</p> <p>It is not yet set out who will lead these groups and how they have the relevant skills and expertise to manage these efficiently.</p>	

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
reasonable for managing the project going forward?		The applicant has provided biographies on the trustees detailing the skills they have that are relevant for the business plan.	
1.2.4 Is there a clear resource plan for the project delivery?	Business plan	No project plan is provided, as the applicants business plan does not include any significant changes or capital spend, but instead focuses on strategic use of existing space a project plan is not considered necessary.	
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 section 2, 6 Applicant responses Q. 2	Yes. The applicant states that the board's and management committees have a range of skills, including IT, legal, PR, financial/managerial skills, project management, and fundraising and property refurbishment. The board seeks legal and accountancy advice when needed. They intend to hire full time staff members to support the future activities from year two.	
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 1, 2, 3 & 4	Yes, the applicant intends to maximise the existing space and facilities with minimal redecoration in year one. In the future the exterior and roof will require maintenance and repair, of which grants are hoped to be obtained.	
1.2.7 Have all reasonable costs been considered? E.g. building maintenance, compliance, permits and	CLA budget to 2020	Yes, the costs considered in the forecasts include staff, marketing, utilities, cleaning, gardening, insurance/security, licenses, maintenance and repairs, office costs and legal. LBL should consider if these costs are sufficient from historic running costs of the library.	


Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
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)?	CLA budget to 2020	<p>The applicant's forecasts include a budget for repairs, maintenance, cleaning etc of around £2,100 per month, along with legal and professional services of around £100 per month.</p> <p>It is noted that these costs appear low in comparison to the 2013/14 actual expenditure of the Library and the 2014/15 budget as prepared by LBL. It is recommended that this be reviewed in detail by LBL in comparison to historic running costs to see if the forecast budget is sufficient to cover the running costs of the Library, and if the reduction in costs are achievable.</p>	
1.2.9 Have project risks been identified? Have mitigating actions been identified to address these risks?	Business plan section 9	<p>CLA has identified areas where there is risk to the business plan and what the mitigation of risks are. This has been assessed in two phases;</p> <p>1 Set-up risks in advance of taking over the building</p> <p>2 Operating risks after taking over the building</p>	
<b>Risks ahead of taking over the Library</b>			
		<b>Probability</b>	<b>Impact</b>
		<b>1 to 4</b>	<b>1 to 4</b>
			<b>Mitigation</b>
		1 or 2	3
			Identify what information is needed
			Use other exemplars to fill gaps
			Ensure bid is a comprehensive and costed proposition
		3	3
			Find out more about key concerns
		1	3
			Increase publicity / social media
			Volunteer organiser to induct volunteers
			Appreciate volunteers / celebrate achievements

Criteria	Evidence source reviewed	Appraisers' commentary			Criteria met/ partially met / not met
		Probability 1 to 4	Impact 1 to 4	Mitigation	
	Asked to proceed subject to GLL lease	2 or 4	2 or 4	Refer in bid – have two options Note need for three-way discussions	
	Gym conversion does damage to building or its layout, or the building is altered in an unsuitable way	2 or 4	2, 3 or 4	Review material in planning application Discuss with Lambeth Council, GLL and Historic England	
	Interest reduces in local community due to protracted delays	1 or 3	2 or 3	Regular and clear messages Say work going on Keep events going in alternative venues	
	Condition of building is worse than expected	4	3	Get up to date condition survey Confirm remedial work with Lambeth	
	Unable to secure sufficient funding	2	4	Appoint short-term fundraiser in 2017 Discuss contingencies with Lambeth	
	Loss of confidence causes CLA to fall apart (illness / other commitments etc.)	2	3 or 4	Have regular meetings, newsletter, events and activities Bring in more trustees up to the maximum of 12 Rotate offices at each AGM to spread the load / experience	
	GLL get right to occupy which is not compatible with a library	2	4	Discuss with Lambeth Council and GLL in advance	

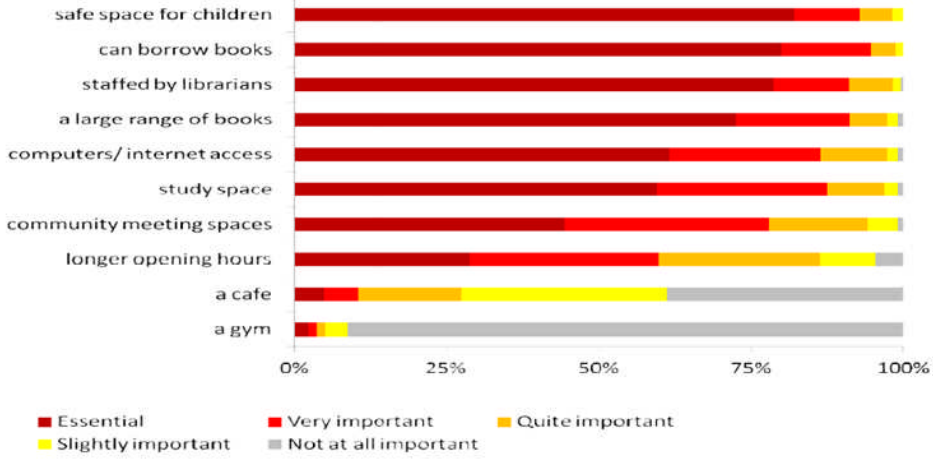
Criteria	Evidence source reviewed	Appraisers' commentary		Criteria met/ partially met / not met
<b>Risks after taking over the Library</b>				
	<b>What could go wrong</b>	<b>Probability 1 to 4</b>	<b>Impact 1 to 4</b>	<b>What we will do about it</b>
	Lambeth discontinue library service	1 or 3	2 or 3	Find an alternative (volunteers /bought in)
	User groups have found other homes and don't want to come back	1	1	Offer a few weeks free accommodation or some other incentive
	A sitting tenant in the building	1	2	Negotiate or wait
	No / insufficient income stream	1 or 2	2 or 4	Always aim for a revenue surplus producing a healthy cash flow. Remain open / flexible to future opportunities. Monitor finances closely
	Reduced community support	1	3	Comprehensive marketing exercise
	Failure to keep a team of volunteers to work regularly	2	2	Ensure clear job description for volunteer organiser Ensure there is a deputy
	Unexpected major expenditure on the building	1	2	Full building survey to identify risks Confirm emergency response plans with Lambeth Council as building owner

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
1.2.10 Have the potential constraints associated with this proposal been identified?	Applicant's response Q.14	The applicant does not envisage any significant constraints associated with the plan as CLA as no significant change of use for the building is planned. CLA acknowledge that the Library is in a residential area and has assessed whether the Library is suitable for social events and the reaction of local residents through holding events. The only possible constraint is the GLL lease, CLA has significant concerns over the terms LBL has agreed with GLL and how this may impact its business plan. If CLA lost control of parts of the ground floor (or any other space in the building or the garden) bar the gym area, this would prove a definite constraint to the business plan. CLA cannot be more certain on this without knowing the GLL position – including the area they will occupy and the amount they will contribute.	
1.2.11 Have any further risks been identified from review of bank statements or Companies House records?	Business plan section 1 Applicant response Q.23	As CLA was only set up in January 2016 and there is no cash balance or bank account currently set-up. CLA has applied for a bank account with the Cooperative bank. The registered charity number has been provided and this has been verified to the England and Wales Charity Commission website. Carnegie Library Herne Hill Association – Registered number 1165287 No further risks were identified from the documents we reviewed.	
<b>1.3 Compliance with regulations and laws</b>			
1.3.1 Have relevant potential legal and tax liabilities been factored in and mitigations identified if needed?	CLA budget to 2020	CLA has estimated corporation tax and VAT tax liabilities have been considered and forecast within the business plan and calculations and assumptions appear reasonable.	
1.3.2 Has the organisation identified relevant legislation and/or statutory requirements? Does it demonstrate how it will be compliant with these	Business plan section 3 Applicant response Q.24	CLA states that the following policies and procedures are in place and that these policies will be reviewed annually and updated where necessary: l) Safeguarding Policy m) Trustees handbook n) Financial procedures o) Data protection and confidentiality p) Equalities policy	



Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
(disability access, health and safety)?		<p>The current policies will need to be expanded upon and additional policies put in place should the applicant be successful, such as:</p> <ul style="list-style-type: none"> <li>q) Health and Safety Policy</li> <li>r) Conflict of Interest Policy</li> <li>s) Hiring Policy and new Hire Agreement</li> <li>t) Volunteering Policy</li> <li>u) Employment Handbook</li> <li>v) Community Engagement Plan</li> </ul>	
1.3.3 Does the business plan represent any risks relating to State Aid compliance, such as a transaction below market value?	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>	
<b>2 The idea</b>			
<b>2.1 Beneficiaries of the proposal</b>			
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, 2, & 3	<p>CLA's plans for the asset are as follows:</p> <ul style="list-style-type: none"> <li>• grow income by promoting multi-function usage of the premises;</li> <li>• increase the footfall to the library by 30% per annum; and</li> <li>• convert the basement into either a gym or self-storage and office space</li> </ul> <p>Through effective utilisation of the Library and making the asset available to the local community, charities and educational organizations, CLA states that it will:</p> <ul style="list-style-type: none"> <li>• Provide learning and leisure facilities to the community;</li> <li>• Provide a socially inclusive service for all the community regardless of age, social background, ethnicity or sexual orientation;</li> </ul>	<div style="text-align: center;">  </div> <p>The estimated long term capital refurbishment funding required is in the region of £100k over the next 10 year, this should be assessed by LBL as to</p>

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
		<ul style="list-style-type: none"> <li>Establish a focal point for cultural and community activities;</li> <li>Develop the building to its full potential, managing and maintaining a range of services and opportunities to the community including lifelong learning and health living, cultural enrichment, creativity, employability and enterprise; and</li> <li>Help the local community improve their lives through acquiring knowledge and skills in a warm, welcoming atmosphere enhancing wellbeing.</li> </ul>	<p>the sufficiency of capital refurbishment expected to be required within the next 10 years. 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>
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, 2, & 3	The expected benefits to the community from the plan proposed by the applicant are listed above and will be delivered through reorganisation of the Library's space, services and activities by the CLA. This will allow the Council to focus its attention and financial efforts in providing benefits to other areas of the community.
<b>2.2 The need</b>			
2.2.1	Is there evidence of a need for the proposed activities, with evidence of consultation, engagement and partnership working?	Business plan section 3 Applicant responses – surveys provided	<p>The CLA compared the Carnegie Library footfall to the Brixton Library's for 2015 to identify the visitors that the library was potentially under serving to help strategically focus the future plans.</p> <p>Following the public consultation on the Library in 2015, CLA have utilised these statistics when taking into consideration the business plan, in particular with reference to the possible Gym.</p> <p>The CLA has also taken a number of surveys and assessments that they have analysed to show the needs of the local community, such as:</p> <ul style="list-style-type: none"> <li>Carnegie Library Community Survey February/March 2000</li> <li>Carnegie Pop Up Consultation Report 2016</li> </ul>


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		<ul style="list-style-type: none"> <li>CLA Survey 2016</li> </ul>																																																																			
<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.</p>	<p>Carnegie Pop Up Consultation Report 2016</p>	<p>Yes, market findings from the 2016 pop up consultation show the requirements from the local community below, which CLA have taken into consideration when building the business plan.</p>																																																																			
		<p><b>What is important to you for the future of the Carnegie library?</b></p>  <table border="1"> <caption>Approximate data from the chart 'What is important to you for the future of the Carnegie library?'</caption> <thead> <tr> <th>Feature</th> <th>Essential</th> <th>Very important</th> <th>Quite important</th> <th>Slightly important</th> <th>Not at all important</th> </tr> </thead> <tbody> <tr> <td>safe space for children</td> <td>85%</td> <td>10%</td> <td>5%</td> <td>0%</td> <td>0%</td> </tr> <tr> <td>can borrow books</td> <td>80%</td> <td>15%</td> <td>5%</td> <td>0%</td> <td>0%</td> </tr> <tr> <td>staffed by librarians</td> <td>80%</td> <td>15%</td> <td>5%</td> <td>0%</td> <td>0%</td> </tr> <tr> <td>a large range of books</td> <td>75%</td> <td>20%</td> <td>5%</td> <td>0%</td> <td>0%</td> </tr> <tr> <td>computers/ internet access</td> <td>65%</td> <td>25%</td> <td>10%</td> <td>0%</td> <td>0%</td> </tr> <tr> <td>study space</td> <td>60%</td> <td>25%</td> <td>10%</td> <td>5%</td> <td>0%</td> </tr> <tr> <td>community meeting spaces</td> <td>45%</td> <td>30%</td> <td>15%</td> <td>10%</td> <td>0%</td> </tr> <tr> <td>longer opening hours</td> <td>30%</td> <td>35%</td> <td>20%</td> <td>10%</td> <td>5%</td> </tr> <tr> <td>a cafe</td> <td>5%</td> <td>5%</td> <td>20%</td> <td>30%</td> <td>40%</td> </tr> <tr> <td>a gym</td> <td>2%</td> <td>2%</td> <td>2%</td> <td>2%</td> <td>92%</td> </tr> </tbody> </table>	Feature	Essential	Very important	Quite important	Slightly important	Not at all important	safe space for children	85%	10%	5%	0%	0%	can borrow books	80%	15%	5%	0%	0%	staffed by librarians	80%	15%	5%	0%	0%	a large range of books	75%	20%	5%	0%	0%	computers/ internet access	65%	25%	10%	0%	0%	study space	60%	25%	10%	5%	0%	community meeting spaces	45%	30%	15%	10%	0%	longer opening hours	30%	35%	20%	10%	5%	a cafe	5%	5%	20%	30%	40%	a gym	2%	2%	2%	2%	92%	
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<p>2.3 Link with boarder Council strategies</p>																																																																					
<p>2.3.1 Does the applicant clearly set out how this project aligns</p>	<p>Business plan section 3 &amp; 5</p>	<p>CLA has stated that the business plan will have numerous social benefits for the community from the revitalisation of the Library:</p>																																																																			

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"> <li>Stimulate creation of new social markets</li> <li>Underpin robust community enterprises capable of delivering high quality local services</li> <li>Provide residents with new learning and employment opportunities?</li> </ul>		<ul style="list-style-type: none"> <li>A focal point for the community</li> <li>Community areas to meet and socialise</li> <li>Space for learning and training to boost employability and life skills</li> <li>An enterprise start-up incubator space</li> <li>A route to market for small local producers and businesses, including retail sales such as local artwork</li> </ul> <p>The skilled governance and management board will provide a breadth of skills and experience that are sufficient to support the revitalisation of the Library.</p> <p>The CLA business plan states that the Library will provide a range of services and opportunities to the community from workspace rentals, literacy classes, tuition, start-up retail opportunities, employment prospects as well as a large range of social classes and events including yoga, Pilates, chess, homework club, gardening group, annual fun days etc</p> <p>These efforts will help members from the local community develop new skills improving their chances of employment.</p>	
<b>2.4 Value for money</b>			
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	<p>Business plan section 7</p> <p>CLA budget 2020</p>	<p>The expected level of income over both business plans is forecast to cover expenses, resulting in an inflow of cash from year one. With minimal contributions of £10k from LBL.</p> <p>The two business plans vary for each scenario of the basement, but assumptions are driven by an expected increase in footfall of 30% per annum, with revenue increasing approximately in line with this assumption. However we would not expect footfall to directly impact all streams of income, so this should be considered further.</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 CLA will be able to cover its total running costs (i.e. the financial implications of the transfer transaction)</p>	

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
building and cover running costs?			
<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:</p> <ul style="list-style-type: none"> <li>• What are the profit margins and key financial ratios represented in the business plan and projections?</li> <li>• Is there clarity around the key assumptions driving the projections and how were these calculated?</li> <li>• Based on sensitivity analysis, are there any key risks to the projections?</li> </ul>	<p>CLA budget to 2020 with and without gym</p>	<p>The income and expenditure projections provided are based on CLA receiving limited grants and funding. The applicant has already secured £9k and plans to receive a further £10k from LBL. Other than this funding it intends to be self-sufficient.</p> <p>CLA has provided a forecast profit and loss along with a cashflow for the first three years (2018 to 2020), they have not supplied forecast balance sheet (working capital).</p> <p>As a result, we have not been able to assess the implications of the planned activities on working capital.</p> <p>There are no prior year figures available as the CLA was established in January 2016.</p>	

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
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	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 capital investments)?	Applicant responses section 3	The CLA do not anticipate any capital expenditure, just minimal redecoration and set up costs at a maximum of £10,000. In the future the applicant intends to raise an additional £100k for capital refurbishment works.	
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	Business plan section 2 Applicant responses section 1	No external investment is required, only minimal grant of £10k from LBL. £9,355 has already been secured.	

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
investments e.g. letters of funding offers including terms and conditions for repayment)?			
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)?	Business plan section 2	Individual letters of support obtained from multiple organisations and persons totalling £9,355.	

Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
<b>3 Cooperative</b>			
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 section 4	<p>CLA has referenced multiple community inputs and surveys, and has provided support for such. The applicant has also undertaken a local community input survey whereby 171 respondents indicated their willingness to become a member of the CLA and provide their support via a number of different methods, such as:</p> <ul style="list-style-type: none"> <li>- 42: Be a trustee</li> <li>- 27: Help manage the building</li> <li>- 61: Help with events and publicity</li> <li>- 98: Volunteer during the day</li> <li>- 41: Offer other help</li> </ul>	<div style="text-align: center;">  </div> <p><i>The CLA has demonstrated good engagement with the community, undertaking a number of surveys and pulling on existing surveys to ensure they meet the local community's needs and engagement with the local community, however this level of engagement should be quantified to ensure that the business plan is achievable.</i></p>
3.2 Does the proposal intend to generate activity that offers opportunity for the broadest possible engagement with communities (diversity), including	Business plan section 3, 4 & 5	<p>CLA intends to increase the utilisation of the Library space and enhance the basement space via conversation to either a gym or combination of self-storage and office space. The current demographic using the building is already quite diverse, however there is significant opportunity to increase the working age population using the Library, therefore the plans incorporate functions, classes and facilities focused to this demographic, such as workspace rentals, office rentals, tuition classes for employment development etc. CLA states that it is targeting the current diverse community of Lambeth and wants to build an inclusive facility.</p>	



Criteria	Evidence source reviewed	Appraisers' commentary	Criteria met/ partially met / not met
traditionally excluded communities?			
3.3 Does the proposal demonstrate methods and activities of ongoing consultation and involvement of local communities?	Business plan section 5 & 10 Applicant responses section 3	<p>The applicant states that it will continue to consult the local community via surveys and feedback, however not clear exactly how and when. Ask for confirmation of this.</p> <ul style="list-style-type: none"> <li>• Administering Questionnaire surveys at open days, AGM, community events an including at Minot Hub and Lambeth wide events</li> <li>• Focus Groups</li> <li>• Attendance to community groups</li> <li>• Use of our consultative adult and youth forums for users and local community members</li> </ul>	



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