

**ANGUS COUNCIL**

**COMMUNITIES COMMITTEE – 16 AUGUST 2016**

**ACCESS/ LIBRARIES INTEGRATION PROGRAMME – PROCUREMENT AUTHORITY  
APPROVAL REQUEST**

**REPORT BY HEAD OF TECHNICAL AND PROPERTY SERVICES**

**ABSTRACT**

The Report seeks authority for the proposed procurement where the combined maximum value of the contracts is above the Chief Officer's delegated authority limit. The procurement authority is for a framework contract to deliver planned multi-million pound investment in the council's ACCESS and Library facilities.

**1. RECOMMENDATIONS**

1.1 It is recommended that the Committee:

- (i) approves the estimated cost of £2,385,000 for the investment in the ACCESS/ Libraries Integration Programme for Carnoustie Library, part of Forfar Library and Montrose Library;
- (ii) approves the procurement authority, as contained in this report in accordance with the process stated in Section 16.8 of the Financial Regulations noting that the authority is sought to establish a procurement process for the full ACCESS/ Libraries Integration Programme;
- (iii) notes that the procurement of furniture will be through existing frameworks where available or by the use of quotations to meet the programmes for the individual schemes;and
- (iv) notes that the funding and financial implications related to this project are detailed in Section 6 of this report;
- (v) notes the funding in 'Later years' for Brechin Library, the balance of Forfar Library and Monifieth Library will be subject to further Committee approval.

**2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/COPORATE PLAN**

2.1 This report contributes to the following local outcomes contained within the Angus Community Plan and Single Outcome Agreement 2013-2016:

- Angus is a good place to live in, work and visit
- Individuals are involved in their communities
- Individuals are supported in their own communities with good quality services
- Our natural and built environment is protected and enjoyed

**3. BACKGROUND**

3.1 Libraries provide an extensive range of services across all seven former burghs with a strong focus on community engagement. Mobile libraries also serve rural residents. These libraries serve multiple functions to the local community: from the classic borrowing books; to e-reading and online references; to accommodation hire; to various clubs and activities for all

ages. One full-time library is located in each burgh with visitor figures averaging 8,000 per week across the County. Libraries have recently introduced a number of innovative and successful services that have received national sector recognition e.g. “Take Control” programme for cancer patients and their families and “Lego in the Library” and Coderdojo clubs for children. The operation of libraries was transferred to ANGUSalve with effect from 1 December 2015.

- 3.2 The Council’s ACCESS service provides community members with general information and advice regarding services provided in the Angus Council area by the Council and other agencies. The Service assists with submitting application forms for council housing, concessionary travel and the Scottish Welfare Fund etc. in order to support community inclusion. One full-time ACCESS Office is located in each burgh with visitor figures averaging 5,000 per week across the County. The operation of the ACCESS service is provided by ANGUSalve, again with effect from 1 December 2015.
- 3.3 As part of the Council’s service review to re-focus the ACCESS and Library Services, seek efficiencies and make best use of the Council’s property estate, a detailed examination was undertaken to investigate the possibility of integrating the ACCESS offices and Libraries. This will deliver better customer services and will allow preparation for channel shift.
- 3.4 As part of the transformational change to the service will be the provision of Police Scotland counter services, on a limited basis within each burgh. The joint ACCESS/ Police facility at Monifieth will transfer to Monifieth Library. Alongside this multi-use facility will be the ability of all council employees and Angus Agile staff to make best use of the available drop-in spaces and meeting rooms. In addition the facilities will offer maximum flexibility as a result of activity spaces which will allow delivery of community run events and a comprehensive community support service to all our stakeholders from a range of providers. Stakeholders will be consulted on their potential use and hours of operation.
- 3.5 The integration of ACCESS & Library employees into a single structure for service delivery is in the process of being implemented. This single workforce design sees front-line Information Advisors skilled in answering all customer enquiries for both library and ACCESS business. Training is currently being undertaken by the Information Advisors, however an integrated timetable is already in place whereby they can work in either an ACCESS Office or Library.
- 3.6 A full capital project appraisal report was submitted to the Policy and Budget Strategy Group (PBSG) in November 2015 as part of the 2016/17 Financial Plan budget process. PBSG approval was subsequently given to the funding for this programme which was included in the 2015/2020 Financial Plan and Provisional Capital Budget 2016/2017 presented to Angus Council on 18 February 2016 (Report Number 62/16).
- 3.7 Reference is made to the Transforming Angus - Outline Business Case – Agile Working and Estates Review Report Number 480/15 and 481/15 approved by Angus Council on the 10 December 2015. These reports provided information on the use of the Councils’ estate once the Agile Working programme was fully in place. As part of this process the ACCESS/ Library integrations programme is an integral part of Transforming Angus and would allow the release of buildings for locality hubs and democratic functions if deemed suitable to meet service needs.
- 3.8 Two reports were presented to the ANGUSalve Board detailing the progress on the Libraries and Access Integrations Capital Project. Report Number 15/16 presented to the Angus Alive board on the 30 March 2016 approved Carnoustie Library, Montrose Library and Forfar Library as the initial Libraries and ACCESS integration projects. This selection was based on a scored option appraisal of all five libraries, details which were contained in the report. The selection was required as only partial funding of the programme was approved during the 2015/2016 Financial Plan process. It is anticipated that when funding becomes available in future years the works to the final two libraries (in order of priority) at Monifieth and Brechin can be taken forward. Report Number 31/16 presented to the ANGUSalve board on the 26 May 2016 provided an update on the project and confirmed that a project approval/ procurement authority report was to be presented to the Communities Committee.
- 3.9 Report number 122/16 Service Redesign – Payment Facilities at Access Offices – Final Proposals agreed by Angus Council on the 24 March 2016 recommended that Councillors

noted the dependencies of the redesign of the service on proposals relating to the future arrangements of the ACCESS offices and libraries integration. This integration programme will achieve a more financially sustainable model of service provision whilst still continuing a town centre point of service access for customers.

#### **4. SCOPE OF CONTRACT**

4.1 Transforming Angus identified the following libraries and possible uses for the vacated ACCESS offices as part of the review of the Council Estate, subject to developing service needs and suitability of this accommodation. The ANGUSalive Board subsequently identified the order of priority for the works as contained in section 3.8 above. The buildings affected are:

- Brechin Library: Integrating this service into this building will allow the release of the ACCESS office function currently based in the Municipal Buildings, Bank Street Brechin. The Council's Agile Angus Programme is proposing that this building may be retained and used as a shared locality hub.
- Carnoustie Library: Integrating the service into this building will allow the release of the ACCESS office function currently based in offices within the Burgh Chambers Building, High Street, Carnoustie. The Council's Agile Angus Programme is proposing that this building may be retained and used as a shared locality hub.
- Forfar Library: Integrating the service into this building will allow the release of the ACCESS office function currently based in Municipal Buildings, The Cross, Forfar. The Council's Agile Angus Programme is proposing that this building may be retained and used as a facility for the democratic function within Angus Council.
- Monifieth Library: Integrating the service into this building will allow the release of the ACCESS office function currently based in the joint ACCESS/ Police Scotland Office, High Street, Monifieth. This site will initially be considered for affordable housing dependent on current need and planning requirements. If not suitable and not required by any other Council service then this will release the site as surplus to the Council's needs for disposal on the open market or consideration under community asset transfer.
- Montrose Library: Integrating the service into this building will allow the release of the ACCESS office function currently based in the Town House, High Street, Montrose. The Council's Agile Angus Programme is proposing that this building may be retained and used as a shared locality hub.

4.2 The ACCESS office at Arbroath would remain and retain its current function with shared facilities being available for Council staff. This building is also being examined as a potential option for a locality hub location but does not form part of these current proposals.

4.3 The following works are common to all the schemes:

- Building Works: Removal of existing library counters, floor finishes, lighting, furniture and shelving; Installation of new individual counter service points; Formation of new combined flexible space/ interview rooms, comprising fully glazed front and sound proofed partitions; Creation of flexible space/ Interview Pod areas (utilising loose furniture and freestanding screen arrangements); Formation of self-service area (incorporating automated book drop point); Establishment of new learning centre areas and event areas (for 30 people – also available for meetings/ training); Kitchen facilities within or adjacent to each event area; Upgrading of all lighting to public areas, including improvements to switching; Alterations to heating systems including controls as required; Incorporation of identified fire improvement works; Provision of flexible spaces which can be used by the community and other Council services; Upgrading of staff facilities including improvements to office accommodation, work rooms and staff rooms; New floorcoverings and full redecoration throughout.

- Furniture and Fittings incorporating: Televisions, general loose furniture, library shelving provision to accommodate reduced stock levels, electronic book drop, signage and blinds
- IT Installations incorporating: staff and public computers, software, licensing and chip /pin facilities (for library sales and payments only). All these facilities will improve service delivery and staff connectivity reducing time travelling.
- Decant Accommodation: Where possible existing Council buildings will be used to provide decant accommodation however a full assessment of appropriate properties has not yet been carried out. For costing purposes it has been assumed that hired mobile units are to be provided to ensure that a limited library service is available when the works are being carried out.

4.4 In addition to the common items the following works are specific to each building:

Brechin Library:

- Upgrade asbestos covered doors to Boiler house & stairwell
- Masonry repairs to two chimney stacks & sporadic minor pointing Repairs [To be Undertaken with Scaffolding For External Paint]
- Upgrade felt roof & insulation & 10 no openable/vented skylights to North
- External paint and repairs [Including all high level areas and Provost's lamp]
- Upgrade radiators, valves, etc. & install indirect water heating
- Improve ventilation to kitchen, Children's library & IT area
- Upgrade staff kitchen area
- Upgrade all original timber windows
- Replace/re-Line cold water storage tank
- Upgrade lighting to LED throughout
- Insulation to Rotunda extension roof
- Upgrade staff toilets

Carnoustie Library:

- Upgrade automated aluminium entrance doors
- Flooring to first floor rear areas [Include staff toilets & kitchen]
- Upgrade lighting to all library areas
- Fit extraction to first floor toilets
- Flooring to ground floor staff corridor
- Internal paint to first floor rear areas [Include staff toilets & kitchen]
- Internal paint to walls in Adult Lending area
- External paint and repairs
- Repair timber windows, doors & screens
- Upgrade First floor galley kitchen
- Upgrade staff kitchen area
- Replace all PVC guttering & downpipes
- Replace fan assisted heaters
- Main Entrance - ponding in heavy rain
- External lighting improvements

Forfar Library

- A new public accessible toilet is to be formed together with a purpose built events room
- The first floor works comprise the full refurbishment of staff toilets and staffroom facilities
- Works to the lower ground floor comprise re-decoration, new lighting and replacement floor coverings to the central services area
- Asbestos removal as required to facilitate upgrade
- Upgrade Main entrance and exit doors to fully automated

- Upgrade signage throughout
- Replace boilers
- Upgrade heating system and replace air handling unit
- Upgrade lighting to all library areas
- External paint and repairs
- Re-surface loading bay parking area [125 m2]
- Upgrade staff toilets
- Upgrade external rear doors & screen
- Replace single ply & upgrade insulation to all flat roofs

#### Monifieth Library

- As part of the works the existing community lounge is to be incorporated into the ground floor Library/ACCESS facility. This work will require the formation of a large structural opening. The first floor is to be significantly refurbished and will provide agile work spaces. It is assumed that the existing first floor Council chamber will be utilised as the new facility's events area.
- Accommodation is provided for a joint Police Scotland facility (currently contained within the existing ACCESS office)
- Upgrade flooring to staff areas
- Upgrade lighting
- Internal paint to all areas
- Internal paint to entrance hall, stairwell and upper landing
- External paint and repairs to all painted surfaces [Include all fascias, base courses and balcony]
- Overlay balcony with single ply and replace railings
- Rake out and re-point all faces of roadside boundary wall [including copes]
- Flooring to first floor corridors
- Internal paint to first floor office areas
- Flooring to main library
- Internal paint to Council Chambers
- Upgrade staff kitchen area

#### Montrose Library

- The first floor will require works to be carried out to the existing gallery for use as the events area and also refurbishment of the adjacent meeting room
- Internal repaint
- Alterations and improvement to heating system including new boilers
- Replace garden gate and frame to match existing
- Upgrade obsolete lighting throughout building
- Rake out & re-point garden boundary wall [40 m2]
- Upgrade flat roofs & lantern light to tinted double glazing
- Upgrade original windows [Phase 1] – essential work only
- External paint & repairs to all previously painted surfaces
- Please note the external fabric of the Montrose Library will require a detailed survey. The building is grade 'A' listed and this may have an impact on the viability of the project if significant additional maintenance works are required.

## 5. PROCUREMENT AUTHORITY

### Objectives

#### 5.1 The main objectives of the programme are:

- Provision of a seamless service for customers delivered by a single front-line workforce from a single facility in central locations within burghs.
- Continued access to face-to-face transactions with the facility for staff to champion and demonstrate digital channels and support channel shift.

- Increased awareness and opportunity for more residents and families to engage with learning, IT training etc. and to widen reading and learning within communities.
- Continuing support for socially isolated residents by providing safe social spaces with personal interactions and stimulating activities.
- Provide flexible activity spaces for community use.

5.2 It was determined that these objectives would be best achieved by utilising the wide range of experience available within Technical and Property Services on the procurement of high quality projects to undertake a feasibility study and initial design which would establish the best layout to meet the objectives and subsequently develop and finalise the project brief with the client. The feasibility studies and initial design proposals were presented to ANGUSalive and the PBSG. The initial costs and schemes were subsequently approved.

### **Sourcing Route/ Collaborative Opportunities**

5.3 Collaborative procurement opportunity details were passed to Tayside Procurement Consortium (TPC) on 29 June 2016. Confirmation was received on 29 June 2016 from TPC that there are no collaborative opportunities available through TPC with Perth & Kinross Council and Dundee City Council.

5.4 Due to the nature and programming requirements of the works Technical and Property Services recommend putting in place a framework arrangement with up to 8 contractors following a selection process. Mini-competitions will be run to procure the works for each building using a fully considered in-house design utilising a 'with Quantities' construction contract approach. The appointment of each contractor following the mini-competition route will be on the basis of the most economically advantageous tender.

5.5 The programme will be advertised on Public Contracts Scotland in line with Council Policy in August 2016. Any local contractor capable of carrying out the works will be identified and steps taken to alert them to the procurement opportunity prior to advertisement of the programme.

5.6 Procurement will be via a two stage 'restricted' process which will require contractors to submit the standard European Single Procurement Document (ESPD) in line with the Public Contract (Scotland) Regulations 2015. Following evaluation of the ESPD's submitted, up to eight of the highest scoring bidders who satisfy the minimum qualifications thresholds set and communicated within the Contract Notice will be invited to be on the framework. The first stage Pre-qualification assessment is set out in Section 5.20 of this report.

5.7 Following the evaluation of the ESPD, it is anticipated that mini-competition tenders will run to suit the individual programme of works to each of the ACCESS/ library buildings. The Invitation to Tender will include preliminaries and bills of quantities which will be priced by the bidders. The tender documentation will incorporate standard Scottish Building Contract 2011 (with quantities) conditions, contract specific preliminaries, pricing documents, community benefit clauses, fair work practices question, pre-construction information pack, specification and drawings. Tenders will be evaluated in accordance with Section 5.23 of this report with the contracts awarded to meet the programme.

5.8 Indicative programme for the works to each of the ACCESS/ library buildings is as follows:

#### Brechin Library:

Mini-competition documents issued: November 2020

Evaluation completed: January 2021

Contract Awarded: January 2021

Works Commencing (following mobilisation period): March 2021

Contract Period: 25 weeks

Contract Completion: August 2021

Fitting Out: September 2021

#### Carnoustie Library:

Mini-competition documents issued: November 2016  
Evaluation completed: January 2017  
Contract Awarded: January 2017  
Works Commencing (following mobilisation period): February 2017  
Contract Period: 20 weeks  
Contract Completion: July 2017  
Fitting Out: August 2017

#### Forfar Library:

Mini-competition documents issued: May 2019  
Evaluation completed: July 2019  
Contract Awarded: July 2019  
Works Commencing (following mobilisation period): August 2019  
Contract Period:  
Contract Completion: May 2020  
Fitting Out: May/ June 2020

#### Monifieth Library:

Mini-competition documents issued: October 2020  
Evaluation completed: November 2020  
Contract Awarded: November 2020  
Works Commencing (following mobilisation period): January 2021  
Contract Period: 20 weeks  
Contract Completion: May 2021  
Fitting Out: June 2021

#### Montrose Library:

Mini-competition documents issued: May 2017  
Evaluation completed: July 2017  
Contract Awarded: July 2017  
Works Commencing (following mobilisation period): August 2017  
Contract Period: 31 weeks  
Contract Completion: April 2018  
Fitting Out: April/ May 2018

### **Sustainable Procurement Considerations**

- 5.9 In accordance with standard practice the Technical and Property Services has integrated whole life/life cycle requirements within its best practice design approach for this programme to assist in fulfilling the range of objectives detailed earlier. The feasibility study and development of the project brief identified that a scheme comprising refurbishment of existing libraries was the best option available to fulfil the project requirements and promote socio-economic outcomes.
- 5.10 The design will also incorporate the Sustainable Timber Policy approved by the Corporate Services Committee on the 23 October 2008 (Report No. 1040/08, Article 11 refers) ensuring that all timber or timber materials required for this contract will be from sustainable sources.
- 5.11 Energy saving measures to each building will be considered based on the practicality of installing the measures and the extent of the refurbishment works being carried out. Measures under consideration within each scheme include:
- replacing light fittings with low energy units including LED where applicable
  - upgrading insulation in areas affected by the works
  - upgrading heating systems as appropriate
  - upgrading windows and doors as appropriate

- consideration given to the installation of photovoltaic panels where practical
- 5.12 The inclusion of these measures within the project specification will improve these buildings energy performance and assist in meeting the Council’s reduction in carbon dioxide emissions target.
- 5.13 The successful bidders will be required to meet the community benefits contained within the invitation to tender documentation which will be considered to be proportionate to the contracts and extent of works involved.

**Sourcing Route - Furniture**

- 5.14 The type and range of furniture meeting the requirements of the integrated ACCESS/ libraries will require two procurement routes. This will include the use of existing frameworks where available or issuing quotation documentation for specialist furniture as required.
- 5.15 Mini-competitions will be carried out with the approved suppliers from the most appropriate frameworks/ lots. These are generally on a price/quality basis with the percentage split set out in the frameworks arrangements. The suppliers will be assessed and appointed on the basis of the most economically advantageous tender (MEAT).
- 5.16 The use of frameworks meets the requirements of Council Financial Regulations 16.6 which mandates the use of approved collaboratively procured contracts where available that offer best value.
- 5.17 Where specialist furniture is required that cannot be sourced through existing frameworks appropriate suppliers will be identified through Public Contracts Scotland. It is anticipated that as this procurement route will be the exception each quotation issued to meet the programme requirements will be below £50,000. The procedure for low value procurements below the £50,000 threshold contained in the Council’s Financial Regulation 16.23 will be followed. Contracts will be awarded on the basis of the lowest price.
- 5.18 The use of timber from sustainable sources is built into framework agreements and will be included in any quotation documentation issued for furniture to meet the Council’s requirements. Any wood based product used in the furniture offered must be certified in accordance with The Forest Stewardship Council (FSC)/ Programme for the Endorsement of Forest Certification (PEFC). Other areas that formed part of the original framework supplier selection included active environmental policy, recycling approach and spares availability.

**Procurement Procedure and Contract Award Criteria**

- 5.19 The procurement of the programme will follow a two-stage ‘restricted’ tender procedure. There is anticipated to be a high degree of interest in tendering for the mini-competitions. The use of a framework arrangement within one Lot will allow the Council to select a list of up to eight of the most appropriate bidders to receive mini-competition tender documents to meet the works programme over the anticipated four years construction period.
- 5.20 The first stage pre-qualification assessment on the basis of the Scottish Government’s standardised “European Single Procurement Document” (ESPD) will address the following items:
- Pass/ fail assessment against minimum requirements for: suitability (business probity, absence of relevant convictions, etc.), economic and financial standing, quality assurance schemes and environmental standards.
  - Scored evaluation of: Technical & Professional Ability; previous relevant experience, level of resources/capability, environmental management measures
- 5.21 Once the framework is in place with bidders who satisfy the minimum qualification thresholds set out in 5.20 above the second stage will comprise issuing mini-competition tender documents to all the bidders on the framework in accordance with the project programme. The mini-competition returns will be evaluated in line with the following award criteria.



5.22 Under the second stage the selected tenderers will be evaluated following each mini-competition on the basis of the most economically advantageous tender (MEAT) having regard to the following criteria which are weighted according to importance. Price is to be given a weighting of 70%, with the other quality related criteria listed below to be given a total weighting of 30% in accordance with the council's Financial Regulations. Once the tender have been evaluated then an acceptance will be issued to the tenderer providing the highest MEAT score.

Quality Criterion

- Management and Supervision – 7%: Tenderers to identify number, role, qualifications and management of staff.
- Resources – 7%: Tenderers to identify project management and project administration processes.
- Quality and Performance – 7%: Tenderers to identify process and procedures to ensure quality and performance of the contract is maintained at appropriate levels.
- Community Benefits – 5%: Tenderers to identify additional community benefits to be provided as part of this procurement to meet the Councils' requirements.
- Fair Work Practices – 4% - Tenderers to confirm how they commit to Fair Work Practices for workers (including any agency or Sub-Contractor workers) engaged in the delivery of the Contract.

Price Criterion

- The weighted price of 70% will be evaluated on the basis of the lowest total price received following a check for arithmetical and rating errors.

5.23 This report details the funding arrangements and procurement options for the ACCESS/ libraries integration programme that falls within the procurement authority requirements contained in Financial Regulations (FR) 16.8. This procurement is not considered to be a "major procurement" in terms of Financial Regulation 16.8.4. Approval of this report would mean that the mini-competitions and quotations contracts can be accepted without the need for further approval by the relevant committees. In accordance with the current arrangements the contract award will be the subject of a 'Noting Report' and will be available on the Council's 'Information Hub'.

**6. FINANCIAL IMPLICATIONS AND ALLOWANCE IN ESTIMATES**

6.1 The updated estimated total anticipated investment for the ACCESS/ libraries integration programme is:

Site:	Cost
Brechin Library	£625,000
Carnoustie Library	£590,000
Forfar Library	£1,040,000
Monifieth Library	£540,000
Montrose Library	£755,000
Estimate of Budget Cost at August 15 price base	£3,550,000
Allowance for price fluctuations (inflation)	£650,000

over the five projects updated June 2016

Estimated of Budget Cost at Out-turn Prices £4,200,000

- 6.2 The original allowance for fluctuations and additional contingencies was calculated at £350,000, however this has been revised based on the programmes contained in this report and the latest Building Cost Information Service (BCIS) indices. The latest fluctuation figure is now £650,000, an increase of £300,000 which will be incurred in 'Later years' on the current Financial Plan.
- 6.3 The figures above are broken down into discrete elements within each library as follows, each figure is inclusive of fluctuations:

Library	Works £'000	Risk £'000	Decant £'000	T & PS Fees £'000	Furniture/ Fittings £'000	IT System. £'000	Misc Costs £'000	Total £'000
Brechin	435	65	65	90	125	15	15	810
Carnoustie	335	50	50	70	95	15	15	630
Forfar	760	95	85	145	125	25	15	1,250
Monifieth	360	60	60	80	100	15	15	690
Montrose	460	65	65	100	100	15	15	820
Total	2,350	335	325	485	545	85	75	4,200

#### Capital Implications - Funding

- 6.4 The project programme has been developed based on affordability and funding within the existing financial plan. The programme extends beyond the duration of the current approved financial plan.
- 6.5 The programme will be funded from the total gross allowance of £3,900,000 contained in the Integration of Libraries/ ACCESS line in the Services to Communities section of the 2015/2020 Financial Plan & Provisional Capital Budget 2016/17 presented to the Special Budget Meeting of Angus Council on 18 February 2016 (Report No: 62/16 refers)
- 6.6 Following on from this report, as the programme timescale has been firmed up, the allowance for fluctuations has been amended to account for the revisions to the programme to meet the funding requirements. This has led to an increase in the estimated total cost of £300,000. This additional cost will be incurred in the 'Later Years' section of the Financial Plan and does not affect the approved funding within financial years 2015/2016 to 2019/2020. The funding for the schemes to be carried out during 'Later years', will require to be considered at the next review of the Council's General Fund Financial Plan.
- 6.7 The Capital funding contained in 'Later years' amounting to £1,735,000 cannot at this stage be confirmed until the next review of the Council's General Fund Financial Plan. At this time Committee are asked to approve the ACCESS/ Libraries Integration Programme for Carnoustie Library, Montrose Library and Forfar Library, as per the available funding set out in 6.11 below.
- 6.8 At this time the agreed funding leaves a short fall of £335,000 for the full extent of the proposals for Forfar Library. Whilst it is anticipated that this will be addressed in the next review of the Council's General Fund Financial Plan, this has been identified in the consideration of risk and the project would be reassessed in light of any budget constraints.

- 6.9 To initiate and progress the project the Committee are also asked to approve the method of procurement, as above, for the full ACCESS/ Libraries Integration Programme.
- 6.10 A further report will be presented to Committee when the future Council's Capital General Fund Financial Plan is established beyond 2019/20 to consider any implications on the proposals for Forfar Library and the remaining programme. .
- 6.11 The following table shows the predicted phasing of the estimated total gross cost of £4,200,000 and the associated funding based on the programmes contained in section 4 of this report. For comparison, the phasing of expenditure and funding contained in the approved 2015/2020 Financial Plan & Provisional Capital Budget 2016/2017 is also shown:

		2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Later Years £'000	Total £000	
<b>Phasing of expenditure of estimated total cost at out-turn prices</b>	Integration of Libraries/ ACCESS								
	Brechin	10	0	0	0	0	800	810	
	Carnoustie	10	130	465	25	0	0	630	
	Forfar	10	0	0	50	855	335	1,250	
	Monifieth	10	0	0	0	0	680	690	
	Montrose	10	45	700	65	0	0	820	
	Deduct LCF (14/15 rev budget c/f)	-50	-70	-400					-520
	Ring Fenced Capital Receipt (Monifieth)							-80	-80
	Capital Contrib. (TAPS Fire Safety 13/14)						-15		-15
	Rev. Funding (15/16 carry forward)						-250		-250
	<b>Net Capital Cost</b>	<b>0</b>	<b>105</b>	<b>765</b>	<b>140</b>	<b>590</b>	<b>1,735</b>	<b>3,335</b>	
<b>Budget allowance contained in the Financial Plan &amp; Provisional Capital Budget 2016/17</b>	Integration of Libraries/ ACCESS								
	Brechin	10	70	580	25	15	0	700	
	Carnoustie	10	195	405	25	15	0	650	
	Forfar	10	0	0	30	440	635	1,115	
	Monifieth	10	165	385	25	10	0	595	
	Montrose	10	0	0	0	30	800	840	
	Deduct LCF (14/15 rev budget c/f)	-50	-270	-200					-520
	Ring Fenced Capital Receipt (Monifieth)						-80		-80
	Capital Contrib. (TAPS Fire Safety 13/14)				-15				-15
	Rev. Funding (15/16 carry forward)				-250				-250
	<b>Net Capital Cost</b>	<b>0</b>	<b>160</b>	<b>905</b>	<b>105</b>	<b>430</b>	<b>1,435</b>	<b>3,035</b>	

## Revenue Implications – Corporate Loan Charges

- 6.8 The overall mix of funding of the General Fund capital budget (e.g. borrowing, receipts, etc) is determined as part of the Council's year end final accounts process. As noted previously however, the funding of the schemes to be carried out during 'later years' (£1.735m) has yet to be approved and will be considered as part of the 2016/2021 Financial Plan process. Assuming the net capital cost of the approved schemes (i.e. those being undertaken between 2015/2016 and 2019/2020) of £1.600m is funded from borrowing, the following table shows what the loan charges will be at certain points over the borrowing write off period.

	Year 1 2017/18 £000	Year 5 2021/22 £000	Year10 2026/27 £000	Year 15 2031/32 £000	Year 20 2036/37 £000	Year 25 2041/42 £000
Estimated loan Charges	44	103	112	122	133	147

- 6.9 Based on the updated estimated net capital cost over the period 2015/2016 to 2019/2020 of £1.600m loan charges are estimated to be an average of £0.109m per annum over a 25 year period and £3,151m in total. Loan charges have been calculated in line with the assumptions within the Long Term Affordability review presented to the Special Budget Meeting of Angus Council. This project was included in that review and as the review concluded that the overall revenue consequences (including borrowing costs) of the Council's proposed total capital spend can be sustained on a long-term basis, the loan charges noted above can be regarded as affordable.

## Revenue Implications – Annual Running Costs

- 6.10 Based on the information contained in section 4 of this report on the use of the existing ACCESS office buildings the scope for building revenue savings is limited. Further information on surplus buildings is contained in Report Nr 480/15 submitted to Angus Council on the 10 December 2015.
- 6.11 The increase in revenue costs relating to the operation of the new facility within the existing library buildings will be minimal and should be covered within existing revenue budgets.
- 6.12 A review of the employee structure and posts with ACCESS and Library services has already been undertaken to create the integrated ACCESS and Libraries workforce. This review included adjustments to workforce size based on an anticipated decrease in ACCESS Office traffic. Workforce size would be reviewed again as properties integrate to determine whether further changes to front-line staff numbers are indicated. Details of the service redesign are contained in Report Number 122/16 presented to Angus Council on the 24 March 2016.

## 7. OTHER IMPLICATIONS

### Risks

- 7.1 An assessment is being undertaken for this programme and other than the normal risks inherent in carrying out a programme of this size and complexity the table below indicates specific issues which have been identified:

Risk	Mitigating Actions
Single integrated service delivery fails with customers unable to adjust to the one-stop-shop concept.	Service provision and footfall monitored, service provision advertised through various forms of media.

Community needs change rapidly and completed facilities require further adaptation earlier than anticipated.	A review of the service has been undertaken by ANGUSalive and approved by Committee and the ANGUSalive board. The integration programme has been identified as the best solution at this time.
The capital receipt from the sale of Monifieth ACCESS Office is less than anticipated or alternative arrangements are made for the site.	If any shortfall is not able to be contained within the programmes contingency allowance a review of available capital funding will be required.
Potential to have issues with meeting listed building consent requirements for Brechin Library and Montrose Library.	Discussions with Planning are to be undertaken at an early stage. If necessary, works to be adjusted to suit planning requirements.
The external fabric of Montrose Library will require a detailed survey. The building is grade 'A' listed and this may have an impact on the viability of the project if significant additional maintenance works are required.	Detailed survey to be carried out to inform the brief. If there are significant issues then other options will require to be investigated.
Due to the length of the programme there will be fluctuations in costs due to legislation, inflation and other economic factors. The fluctuation calculations use indices from the Building Cost Information Service are estimated for future years which will change.	Allowance for fluctuations included in costs. Changes in fluctuation indices for future years to be monitored and costs adjusted as required.
The funding arrangement in this report may not support the implementation of the Locality hubs and Democratic facilities as part of the Agile Programme Business Case (in the event Current ACCESS buildings are to be utilised) which is based on full programme implementation by 31 March 2020 (the risk being that Brechin, Forfar and Monifieth are either fully or part funded beyond that time into later years).	Agile Programme could utilise alternative accommodation in Brechin and Forfar that could be available to deliver the Agile Programme in line with the current Business Case or alternatively revise the Business Case to delay the benefits to align with the ACCESS/Library merger programme (or use a combination of these options).  In addition, the capital programme could also be reviewed as part of future years' budget setting process to improve the alignment of these key initiatives.
Funding contained in 'Later years' to allow works to be carried out on the full extent for Forfar Library or at Brechin, and Monifieth Libraries not approved.	Works programme has been developed to meet the availability of funding. If funding is not available or limited in future years then works will either be limited to the funding available or cancelled. This will also impact on the viability Agile Programme Business Case as noted in the previous risk.

- 7.2 Technical and Property Services have extensive experience of procuring projects of this nature in a timely manner and every measure will be taken to ensure that these contracts are effectively managed.
- 7.3 Overall doing nothing involves the risk that a projected decrease in ACCESS Office traffic makes the current facilities unsustainable. No adaptation to library facilities means services that require to be delivered face-to-face cannot be continued.

## 8. CONSULTATION

- 8.1 Additional consultation has been carried out with ANGUSalive's Senior Manager – Libraries, Customer and Culture.

## 9. CONCLUSION

- 9.1 The report seeks approve for the initial phase of £2,465,000 of investment in the ACCESS/ Libraries Integration Programme for Carnoustie Library, Forfar Library and Montrose Library. The report seeks procurement authority to establish a framework arrangement for the full Integration programme.

**NOTE:** The background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) which were relied on to any material extent in preparing the above report are:

- Angus Council 22/10/15 Report No 410/15 – Future Service Delivery Model for Culture and Leisure Services – Update
- Angus Council 10/12/15 Report No 480/15 – Transforming Angus: Agile Working and Estate Review
- Angus Council 10/12/15 Report No 481/15 – Transforming Angus: Agile Angus and Estates Review: Business Case
- Angus Council 18/02/16 Report No 62/16 – Provisional Revenue and Capital Budgets 2016/2017 and beyond – Provisional Capital Budgets Volume
- Angus Council 24/03/16 Report No 122/16 – Service Redesign – Payment Facilities at Access Offices – Final Proposals
- Angus Alive Board 30/03/16 Report No 15/16 – Libraries and ACCESS Integration Capital Project – Site Approval
- Angus Alive Board 26/05/16 Report No 31/16 – Libraries and ACCESS Integration Capital Project - Update

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