



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

Cabinet

10th July 2024

Report of the Head of Property and Regeneration Simon Brennan

Matter for Decision

Wards Affected: Neath North

Proposed Future Use of old Neath Library Building in Neath

Purpose of the Report:

To seek Members approval to proceed with a preferred option for the future use of the vacant Library building in Neath as a creative hub and to proceed with a procurement exercise to tender for an organisation to lease and operate the building.

Executive Summary:

Approval is sought to accept the preferred option within the recently completed Feasibility Study produced by Counter Culture for the vacant building to be used as a creative hub and for a procurement exercise to tender for an organisation to lease and operate the former Library building, Victoria Gardens, Neath as a facility offering a Creative Hub.

Background:

The Council holds title to the former Neath Library, Victoria Gardens, Neath as shown edged in red on the attached copy plan.

The library has been listed at Grade II: “for its special architectural interest as a significant civic building within the town of Neath. An accomplished and well detailed building, it is also important for its historic interest in displaying the provision of free lending facilities and the ambitious interest in civic improvement during the later Victorian period. The style and layout of the library both externally and internally clearly reflecting the principles behind library design in this period”.

The former Library building has remained vacant since its closure in March 2023 following the opening of the new Library within the new leisure and retail development in Neath town centre.

The Council has identified the former Neath Library building as a Strategic pipeline project within the Welsh Government’s Transforming Towns Programme and intends to submit a funding application in order to undertake the required refurbishment works to the building.

In order to secure a full funding agreement, Welsh Government require evidence of long-term sustainability, by means of securing an end user/operator for the facility upon completion of the refurbishment works.

Counter Culture have identified three possible options for development following conversations with stakeholders.

Option 1: A Creative Hub consisting primarily of ‘clean’ workspaces and offices with an emphasis on creative and cultural industries such as digital, writing, illustration,

photography, podcasting, events, consultancy and associated professional services.

- Option 2: A Creative Hub consisting primarily of 'messy' workspaces with an emphasis on painting, sculpture, mixed media, photography, and textiles.
- Option 3: A free to enter museum for Neath with a café and retail space.

The consultants have undertaken Annual Income and Expenditure Projections for each of the options, and the financial appraisal is as follows :-

- Option 1: An annual loss of £10,145 and £3,718 for years 1 and 2 respectively, but making a modest profit by year 3 and a profit of £10,502 by year 5.
- Option 2: An annual loss of £35,742 in year 1 and similar losses throughout with a loss of £29,289 in year 5.
- Option 3: An annual loss of £145,445 in year 1 and similar losses throughout with a loss of £158,506 in year 5.

The full tabulated Income and Expenditure Projections can be found on pages 94-96 of the consultants' report (Appendix 2). The financial appraisal does not take into account however, any income that could be forthcoming from grants or other sources. Therefore, it is possible that a suitable operator with access to grant funding could run the building at a profit immediately in terms of Option 1 and potentially Option 2, if large enough grants could be secured for the latter.

In respect of the limited losses that might be initially incurred in respect of Option 1 however, it should be remembered that these are likely to be less than the costs of currently allowing the building to

remain vacant, in terms of ongoing energy, security and maintenance liabilities, with the fabric of the building likely to further deteriorate rapidly.

The core recommendation from the feasibility study therefore, is that only Option 1 appears to offer a financially viable future for the Old Library without extensive ongoing subsidy.

There appears to be sufficient demand and enthusiasm from the Creative and Cultural Industries sector to develop Neath Old Library as a 'clean space' Creative Hub, and our initial financial calculations indicate that this can be achieved without long-term core revenue subsidy from NPT Council.

It would be proposed to undertake a procurement exercise to tender for an organisation to lease and operate the former Neath Library to determine who the lease should be awarded to. The evaluation and acceptance of the successful submission will not be weighted purely on the financial bid offered i.e., the best rental bid per annum but will have regard to other considerations, including financial, business plans, on a most economically advantageous basis utilising a methodology agreed by the Head of Property and Regeneration. The highest scoring organisation will then be awarded the lease, subject to any necessary planning permission being obtained for the proposed use.

Whilst it has been established that is not financially feasible to designate the old Neath Library as a Museum space, officers in the Education, Leisure and Lifelong Learning Directorate are currently examining a suitable model to enable future community access to our museum collection. To this end, funding has been secured via the SPF Heritage, Culture, Tourism and Events Fund to establish a feasible model for making the Council's museum's collection available for the local community to visit in future years.

Financial Impacts:

The granting of the lease will provide a rental income for the Council. The preferred option identifies that some support, possibly in the form of a subsidy might be required but this will not be known for certain until the procurement exercise is undertaken, and business plans are submitted. In the event that issue arises, and a subsidy is required, a report will be presented to Cabinet to determine whether it is a proposal that Cabinet wish to proceed with.

Integrated Impact Assessment:

A first stage impact assessment has been undertaken to assist the Council in discharging its legislative duties (under the Equality Act 2010, the Welsh Language Standards (No.1) Regulations 2015, the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016. The first stage assessment has indicated that a more in-depth assessment is not required.

Valleys Communities Impacts:

The Creative Hub will offer facilities for Neath and the surrounding areas including our Valleys Communities.

Workforce Impacts:

There are no workforce implications in relation to the Authority.

Legal Impacts:

Any procurement activities will be conducted in accordance with the requirements of the Public Contract Regulations 2015.

Risk Management Impacts:

The preferred option identifies that some support, possibly in the form of a subsidy might be required but this will not be known for certain

until the procurement exercise is undertaken, and business plans are submitted. If this is the case, officers will review further and come back to Members at a future date.

Consultation:

Consultation was undertaken by Counter Culture with key stakeholders and a wider consultation in relation to comparators as part of the feasibility study.

Recommendations:

Having had due regard to the first stage of the Integrated Impact Assessment, it is recommended that.

- Members agree the recommendation to proceed with the preferred option (Option 1 in the Feasibility Study produced by Counter Culture) for the future use of the vacant Library building in Neath as a creative hub.
- Members agree to officers proceeding with a procurement exercise to tender for an organisation to lease and operate the building.

Reasons for Proposed Decision:

To enable Neath Port Talbot Council to proceed with the refurbishment of the prominent, vacant old Neath Library building in order to bring it back into beneficial use as a creative hub and prevent the building falling further into a state of disrepair.

Implementation of Decision:

The decisions will be implemented after the three day call in period.

Appendices:

Appendix 1 – Site Location Plan

Appendix 2 – Old Neath Library Feasibility Study – Counter Culture

List of Background Papers:

None

Officer Contact:

Lindsey Williams

Regeneration Officer

a.l.williams@npt.gov.uk