

From: Clair Bell, Cabinet Member for Community and Regulatory services

Peter Oakford, Deputy Leader and Cabinet Member for Finance,
Corporate and Traded services

Simon Jones, Corporate Director, Growth Environment and Transport

Rebecca Spore, Director of Infrastructure

To: Growth, Economic Development and Communities Cabinet Committee -
22 January 2025

Subject: The future of library provision in Folkestone town centre

Decision no: 24/00116

Classification: Unrestricted

Future Pathway of Report: Cabinet Member Decision

Electoral Division: All divisions within Folkestone and Hythe district

Is the decision eligible for call-in? Yes

Summary: This paper covers the results of the recent public consultation on the future town centre location of the Folkestone Library and registration service, analysis of the options available and the proposed next steps KCC proposes to progress to find a long-term solution.

Recommendation(s):

The Cabinet Committee is asked to endorse or make recommendations to the Cabinet Member for Community and Regulatory Services on the proposed decision to:

- A. APPROVE to issue the draft consultation report set out in Appendix B.
- B. APPROVE to Issue the consultation response set out in Appendix C.
- C. Note that KCC remain committed to a full town centre library provision in Folkestone Town Centre.
- D. APPROVE that further work be undertaken to explore and implement an alternative town centre location for the temporary library and registration service, from which a greater range of services could be delivered, within current budgets, until a permanent library and registration service location is opened in the town centre.
- E. APPROVE that the options for the future of the Grace Hill building which involve KCC retaining responsibility for maintenance and repair of the building, be discounted, acknowledging that this will very likely require KCC to make a disposal of the building to a third party (by way of freehold transfer or grant of a long lease), and progress actions relating to its listing as an asset of community value (ACV), including issuing a notice to Folkestone & Hythe

District Council of intention to dispose (Folkestone & Hythe District Council being the statutory body that administers the ACV process under the Localism Act 2011) This notice will trigger the ACV process.

- F. APPROVE that further work be undertaken on the two remaining options, including further engagement with Creative Folkestone and, if appropriate, other individuals or groups who may make proposals for the Grace Hill building (including through the ACV process).
 - G. DELEGATE authority to the Corporate Director of Growth, Environment and Transport to issue the draft consultation responses
 - H. DELEGATE authority to the Corporate Director of Growth, Environment and Transport, in consultation with the Cabinet member for Community and Regulatory Services to proceed with the work required on the remaining two options, noting that these will be subject to further governance and decision making
 - I. Delegate authority to the Corporate Director of Growth, Environment and Transport in consultation with the Cabinet Member for Community and Regulatory Services to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision as shown at Appendix A
 - J. Delegate authority to the Director of Infrastructure in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision as shown at Appendix A
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1. Introduction

- 1.1 Folkestone town centre library and registration service is located in the Grade II listed building at 2 Grace Hill (referred to throughout as the 'Grace Hill building'). This building had to be closed due to health and safety reasons in December 2022. This necessitated the temporary closure of the service and provision of temporary services and facilities nearby. The latest cost estimate to repair the Grace Hill building is £2.9m. Following the temporary closure, KCC has been exploring the options for the future provision of the service and undertook an eight-week public consultation in 2024.
- 1.2 This report covers the outcomes of the public consultation and recommends next steps.

2. Background

- 2.1 The Library, Registration and Archives (LRA) service is a statutory and highly valued public service which is currently delivered through; a network of 99 libraries, five register offices, five mobile libraries, an archive centre, the stock distribution and support function building at Quarry Wood, the information service 'Ask a Kent Librarian'; and 24-hour accessible online services.
- 2.2 Library authorities have a statutory duty under the Public Libraries and Museums Act 1964 'to provide a comprehensive and efficient library service for all persons who live, work or study in the area'.

- 2.3 Folkestone Library is part of this network and until December 2022, the town centre library and registration service was provided at the Grace Hill building.
- 2.4 The Grace Hill building temporarily closed in December 2022 because it became unsafe for customers and staff. Since then work has been undertaken to, investigate the extent and cost of the works needed to bring the building back into use, exploring ways to fund the works, explore other locations in Folkestone town centre where the library could be located, and consider the future of the Grace Hill building.
- 2.5 While the Grace Hill building has been temporarily closed, temporary service provision has been put in place for service users and resident to access a library and registration service which consists of:
- Town centre access to the local history collections and public PCs at 'Folkestone Library – Heritage and Digital Access.' This also includes a free library book (and other materials) borrowing and reservation service.
 - Extended branch opening at nearby Wood Avenue and Cheriton libraries.
 - Additional public PCs and an additional location where public can complete birth and death registration appointments at Wood Avenue Library.
 - Promotion of other ways to access free library services online, the Mobile Library and the Home Library Service.
- 2.6 A petition was lodged with KCC and ran from 28/03/2023 to 29/06/2023. This called on KCC to 'fix Folkestone library and re-open it to the public.' The petition was signed by 3,647 people and as a result there was a petition debate at the Growth, Economic Development and Communities Cabinet Committee in September 2023
- 2.7 The Grace Hill building was listed by Folkestone and Hythe District Council (FHDC) as an asset of community value (ACV) in July 2023.

3. Consultation

- 3.1 An eight-week public consultation on the future of Folkestone Library ran from 18 July to 11 September 2024.

Consultation process

- 3.2 The consultation document was available online at www.kent.gov.uk/folkestonelibrary via our Let's talk Kent website, promoted and highlighted to local partners and stakeholders, and paper copies were available in all Folkestone and Hythe district libraries. It was also available in large print and easy read formats. All consultation and promotional materials included contact details to request hard copies and any other formats or languages.
- 3.3 Alongside the consultation document the following supporting documents were also made available:
- Consultation stage Equality Impact Assessment (EQIA).
 - Breakdown of the estimated costs to repair the Grace Hill building.

- Frequently Asked Questions, which were updated throughout the consultation period.
- 3.4 During the consultation period there were 5,180 visits to the consultation webpage by 4,673 visitors.
- 3.5 Feedback was captured via an online questionnaire and paper copies were available in Folkestone and Hythe district libraries and on request. A word version of the questionnaire was also made available online for anyone who did not want to complete the online version. Emails and letters received during the consultation period have been analysed and considered alongside the questionnaire responses.
- 3.6 Four in-person drop-in sessions were advertised and took place at Wood Avenue Library and 5 Grace Hill (Folkestone Library – Heritage and Digital Access). These were to raise awareness of the consultation and provide the opportunity for people to ask questions. The sessions were scheduled on different days and times to allow as many people as possible to attend. As well as asking questions face to face, attendees could fill in the questionnaire during drop-in sessions or take away the questionnaire to fill in at home and return via any library.
- 3.7 A wide range of communication methods were used to promote the consultation, including:
- Press releases at the start and towards the end of the consultation and a half page local newspaper advert.
 - Email to key stakeholders including community groups, schools, town and parish councils, local voluntary and charity organisations and library groups and partners.
 - Promotion via the LRA staff and displays in all the Folkestone and Hythe district libraries.
 - An invite to 549 people and organisations registered with Let's talk Kent who had expressed an interest in hearing about new consultations on libraries in the Folkestone and Hythe district.
 - Posters displayed at the Grace Hill building and other public buildings in Folkestone.
 - Social media posts from Folkestone Library, Kent Libraries and KCC's corporate social media accounts. This included paid Facebook adverts to extend the reach of the consultation beyond those who follow KCC's channels.
 - Promotional links from the Folkestone Library service webpage on Kent.gov.
 - Articles in KCC's residents' e-newsletter.
- 3.8 The Save Folkestone Library group and other members of the community also undertook extensive promotional activity. They organised handing out of the promotional posters, took paper copies of the questionnaire to distribute, highlighted the consultation on social media and organised several events during the period. KCC is grateful to the group and all local partners in ensuring that the consultation was promoted as widely as possible.

3.9 The consultation received 600 responses. 510 were submitted online, and 86 questionnaires were submitted in hard copy or by email. An additional four emails and letters were received, and this feedback has been analysed alongside responses provided via the consultation questionnaire.

Consultation proposals

3.10 The consultation explained that, since the temporary closure of the library in December 2022, KCC had been investigating the extent and cost of works needed to bring the Grace Hill building back into use, exploring ways to fund the repairs, looking at other locations in Folkestone town centre where the library could be located, and considering the future of the Grace Hill building. The consultation explained the options KCC had been considering and that, while these were at a formative stage, they had developed to the point where KCC wished to seek the public's views before progressing any further.

3.11 The consultation explained that KCC's preferred option, at that stage, was to:

- Permanently leave the Grace Hill building and find an alternative town centre location for the Folkestone town centre library and registration service; and
- Take forward work with Folkestone & Hythe District Council on moving the service to the FOLCA¹ building on the high street.

3.12 The consultation addressed the following alternative options:

- Continue with temporary provision permanently and exit the Grace Hill building.
- Make repairs to the Grace Hill building, re-open Folkestone Library within the Grace Hill building and co-locate with other services.
- Relocate the library service to another existing KCC building.
- Sell or issue a long lease to another party and then lease back part of the building. It was noted that Creative Folkestone had expressed an interest to KCC in taking forward an idea/proposal of this nature (see Section 6 below).
- Move the library service to an alternative leasehold site.

4. Overview of Consultation Feedback

4.1 Lake Market Research have independently analysed consultation responses. Cabinet Members have been briefed on the results, but Cabinet Committee Members are invited to carefully consider the full consultation report as set out at Appendix B.

4.2 In summary:

- 55% of consultees disagreed with KCC's proposal to permanently leave the Grace Hill building and find an alternative town centre location for the library and registration service, while 38% of consultees agreed.

¹ This is the name of the building **owned by Folkestone & Hythe District Council**, which was the former Debenhams store on the High Street in Folkestone.

- The most common reasons for disagreement with this proposal related to how the Grace Hill building is seen locally, for example its historic and heritage character, the fact that it is a listed building, as well as the view that the building should be restored and preserved as a library. Consultees noted that Grace Hill was purpose built as a library, and that it was gifted to Folkestone as a public asset. Some consultees also preferred the location of Grace Hill to any other in the town centre.
 - The most common reason for agreement was that the library should be in a central, convenient location, and that moving the library as proposed would be beneficial to the town. Some consultees expressed general agreement with moving the library to another location. Other consultees in agreement referred to understanding the financial considerations.
- When asked about agreement or disagreement with KCC's preferred option to move the library and registration service to FOLCA, 51% disagreed and 43% agreed.
 - The most common reasons for disagreement included specific factors relating to the Grace Hill building and a desire to restore the building as a library. Some consultees also expressed concerns about the suitability of the FOLCA building, the cost of moving to FOLCA, and concerns about KCC renting rather than owning a library building.
 - The most common reasons for agreement again related to a desire for the library to be in a central, convenient location. Some expressed the view that FOLCA would be accessible, including by public transport, had good parking nearby, and would attract more people to use the service.

4.3 Several other specific themes emerged from consultation feedback which have informed the consideration of next steps, as explained elsewhere in this report.

4.4 Cabinet Committee are invited to review Appendix C. This is the consultation response and reflects the options analysis and proposals set out in this report.

5. Engagement with Creative Folkestone

5.1 Prior to, during and following the consultation Creative Folkestone continued, with the support of others, to express an interest in the future of the library service at the Grace Hill building. Creative Folkestone is an independent arts charity established in 2002 to regenerate Folkestone and the surrounding area, with a focus on 'making it a great place for people to live, work, study, play and visit through creativity'.

5.2 Creative Folkestone has indicated that it may be prepared to take over responsibility for the Grace Hill building from KCC by way of a disposal (either a gift or long-term lease at peppercorn rent), with the intention of allowing it, as a charity, to raise funding that may not be available to KCC to address the physical condition of the building. This idea is linked to Creative Folkestone's broader proposals for a Creative Campus. Creative Folkestone envisages that

the library could remain on the ground floor of the Grace Hill building, with other parts of the building put to community use and use as a space for artists. KCC has engaged with Creative Folkestone on this since late 2023.

- 5.3 Following the consultation, officers met with Creative Folkestone to further discuss their ideas with a view to ensuring that KCC has full information about the proposed approach, was aware of any changes, and to explain officers' working views. The meeting was constructive with a shared understanding that further discussion would be needed to further develop. The purpose of further engagement is to enable KCC to take an informed decision regarding this option in due course.

6. KCC Financial Position and Capital Maintenance Budget

- 6.1 Like many other councils, KCC is facing significant financial challenges. Since 2011, KCC has had to make almost £1 billion in savings and income generation to manage services and assets within the funding available to us. However, the demand for and cost of providing services was such that, for the first time in 22 years, KCC ended the 2022-23 financial year with a significant overspend of £44.4 million, followed by an overspend of £9.6m in 2023-24. KCC funded these overspends by using reserves, but this is not a sustainable solution.
- 6.2 The biggest pressures were related to services for the most vulnerable residents in the areas of adult and children's social care, and home to school transport. These services are continuing to present financial pressures in 2024-25 and again KCC is forecast to overspend. We estimate the additional demand and costs for these service areas alone will total £83 million in 2025-26.
- 6.3 The draft budget for 2025-26 identifies core funded spending growth of £150.4m, compared to funding increase of £96.5m (Council Tax, Business Rates and General Grant increases/growth) so once other minor adjustments are reflected, this leaves a shortfall of £62.7m that needs to be closed through savings and income. A balanced budget is being proposed to County Council for 2025-26 but this relies on several one-off initiatives that require base funding in 2026-27 onwards, as well as any additional savings and income that will be necessary in latter years as core funded spending growth continues to exceed available funding increases each year. We are continuing to look across all our services to identify where savings can be made, and income can be raised. Spending controls are in place and difficult decisions across KCC's services, and regarding the disposal of surplus buildings, are having to be considered. All of this highlights the significant financial pressure KCC remains under.
- 6.4 At present the annual capital budget for maintenance of all KCC property assets, is £3m just to maintain the status quo, alongside which KCC faces an estimated £159m backlog of maintenance and condition works across all buildings. An additional £5.6m has been allocated in 2025-26 and 2026-27 to complete some of the most urgent back-log maintenance issues. This however falls significantly short of what is required across the estate and at the present time it is necessary to prioritise spend to support safeguarding and essential services such as care homes and highways depots. No funding was able to be allocated to the Grace Hill library. In 2024/25 an allocation of £500k was made for works across KCC's 99 libraries, nine country parks and seven picnic sites.

- 6.5 The financial climate of local government and KCC are such that unfortunately it has and continues to be necessary to consider difficult decisions across a range of service areas and must also consider disposal of buildings to meet the financial challenge.
- 6.6 Budget papers for the 2025-26 financial year have been taken to all KCC Cabinet Committees. The proposed budget contains specific proposals for savings and income with a view to offsetting the growth pressures facing the Council and for which an increase in Council Tax, Business Rates and General Grants is insufficient to meet the budget gap. The proposed budget for 2025-26 will be presented to County Council in February 2025 and covers both revenue and capital budgets.

7. Critical Success Factors and Key Considerations

7.1 The critical success factors and key considerations which options are considered against are as outlined below:

- Service requirements: does the option meet LRA's service's requirements? These are:
 - Location. It is important to be somewhere visible and accessible, which is why high street locations are generally the service's preference. They are where most people will go or be able to get to. Libraries can play an important role in wider high street regeneration. As a rule, we want to be in a location that lots of people will naturally pass so that we can advertise and be visible for those who are not yet users of the service with the desire that they do become users. Where the best location is in a community may change over time and we should always keep this under review.
 - Space. We need adequate and affordable space to meet service needs.
 - Partnership potential. The service is in general keen to co-locate with other customer and community services. This brings more services to people in one convenient place but also has the potential to increase the take-up of library and other services for those who do not currently use them. There is extensive evidence of successful partnership working and co-locations across Kent.
- Financial factors: How much will it cost KCC, both in terms of capital and revenue both short and long term? Does the option rely on securing grant funding? If so, what timescale could we be looking at? Will the option generate any income for KCC, given the already-described financial challenge facing the Council?

7.2 Other key considerations are:

- Deliverability. Can the option be delivered and what is the timeline for deliverability?
- Environmental. Does the option reduce the carbon footprint therefore supporting KCC's net zero target?

8. Options Analysis

Overview

8.1 Each of the options identified in the consultation document have been assessed against the critical success factors and key considerations above. Taking this into account and the outcomes and feedback from the public consultation it is proposed that the following options should be discounted:

- Continue with temporary provision permanently and exit the Grace Hill building.
- Make repairs to the Grace Hill building, re-open Folkestone Library and co-locate with other services there.
- Relocate the library service to another existing KCC building.

8.2 It is recommended that further consideration given to the following two options:

- Selling or issuing a long lease of the Grace Hill building to another party, and then leasing back part of the building. This option would enable KCC to relinquish its interest in and responsibility for maintenance and repair of the Grace Hill building, whilst retaining the library and registration service at the Grace Hill building. This option is the subject of ongoing engagement with Creative Folkestone. This option may also involve the consideration of proposals from other individuals or groups, should any such proposals be made (including through the ACV process).
- KCC's original preferred option to exit the Grace Hill building and find an alternative town centre location for the LRA service.

Options analysis detail

Continue with temporary provision permanently and exit the Grace Hill building

8.3 This option would be the most financially advantageous, as it would not involve additional capital spend on repairing the Grace Hill building and enable KCC to realise the capital value of the asset. It would be deliverable (it is the option currently in place) and would help KCC achieve its net zero target (reflecting the smaller library space currently being made available).

8.4 However, this option would not meet the service's requirement and therefore only meets one of the critical success factors. The current temporary provision does not allow full library and registration services to be delivered from one town centre location, it is scattered across the town, and beyond the branch libraries there is no town centre book browsing or children's library. The current temporary provision was never intended to be a permanent replacement for the services delivered from the Grace Hill building, and this remains the case.

8.5 Consultees also raised concerns about the current temporary provision. A number of consultees, when asked about the alternative options for Folkestone library, expressed the view that the current temporary provision is not suitable

for the long term. Others expressed the view that permanent library facilities were required as soon as possible, with no preference as to location. A clear message from the consultation feedback is that people wanted to see either the re-opening of the library at the Grace Hill building or the service move to a single permanent alternative location.

8.6 It is therefore recommended that this option should be discounted.

Make repairs to the Grace Hill building, re-open Folkestone Library and co-locate with other services

- 8.7 This option is not considered financially affordable, notwithstanding the strong views and wishes of many consultees concerning repairing and re-opening the Grace Hill building. This is because the cost of undertaking necessary repairs to the building, with a view to re-opening the library making the building sound for the short-term, is estimated to be £2.9m (as at the time of consultation). This is based on an assessment undertaken in May 2024 by a Chartered Building Surveyor. Estimated costs may change over time.
- 8.8 As explained above, KCC is faced with significant financial challenges. We have had to make difficult decisions in a number of areas regarding service provision, the disposal of other assets in KCC's estate, and regarding the amount we spend on capital maintenance.
- 8.9 Given the age, construction and listed status of the building, there is a risk that significant additional costs may be required in future or that there may be a closure in the future should there be another significant failure.
- 8.10 Many consultees disagreed with KCC's proposal to leave the Grace Hill building and felt that KCC should find a way to repair the building. When asked whether they agreed or disagreed with the proposal to permanently leave Grace Hill and find an alternative town centre location for the service, roughly a third of consultees raised points relating to the broader value of the building as, for example, a historic, attractive, community, listed building, and a landmark in Folkestone. A similar proportion expressed the view that the building should be restored and preserved as a library. Around a fifth of consultees expressed views connected with seeing the building as a public space which belongs (and was gifted) to the community. Some consultees expressed a preference for the location of the building at Grace Hill (albeit fewer in number than those who indicated support for a high street location).
- 8.11 A number of potential ideas for enabling KCC to retain ownership of the building and make repairs were proposed in response to the consultation. For example, it was suggested that KCC could fundraise with the local community, and that KCC could reach out to local businesses to make the cost of repairs cheaper as well as using volunteers to undertake the works. It was also suggested that KCC should apply to other sources of grant funding and that other uses could be made of the space at Grace Hill, some of which (such as venue hire and a café) could raise revenue. Given the £2.9m estimated cost of the repairs, and the complex nature of any restoration project, which would need to be undertaken by expert contractors, we do not consider these

options to be viable. The alternative ideas suggested by consultees are further considered as part of Appendix C.

- 8.12 The service considers that there are both advantages and disadvantages of the space at Grace Hill. The building maintenance issues have impacted on the ability to deliver a reliable and quality service over the years, for example unplanned closures or necessitating buckets around the building to capture water ingress. It does however provide sufficient space from which to deliver the service, and is an existing, known building. There may be some scope for revising and improving the layout to maximise space. On the other hand, the structure, nature and layout of the building has previously prevented KCC from taking forward the co-location of KCC services or maximising the use of the space, adult education for example. Overall, the service has a preference for a high street location, which it considers would help make the service more visible and attract more customers.
- 8.13 Regarding environmental considerations, while some improvements could be made, due to the age and construction of the Grace Hill building this option would not significantly contribute to achieving KCC's net zero target.
- 8.14 The main deliverability challenge for KCC in regard to the Grace Hill building is financial, as explained above. Cabinet members as well as Cabinet Committee should have careful regard to consultees' views, and the other factors above. Taking everything into account and particularly the financial circumstances facing KCC, it is felt that spending £2.9m on a single building is not justifiable or a responsible use of KCC funds.
- 8.15 It is therefore recommended that this option should be discounted.

Relocate the library service to another existing KCC building.

- 8.16 Opportunities have been explored to relocate the service to other KCC services in Folkestone town centre, namely: The Cube (KCC Adult Education); the KCC Family Hub buildings around Tontine Street; and the KCC offices at Cheriton House, Cheriton High Street.
- 8.17 None of these buildings would provide enough space taking into account other service usage of these buildings from which to deliver the library service or offer an improved location in the town. Additionally, Cheriton House is not in Folkestone town centre.
- 8.18 There was no significant support within consultation responses for a move to any existing KCC building in Folkestone.
- 8.19 From a review of the KCC buildings there is no suitable KCC space available which makes this option undeliverable.
- 8.20 We therefore recommend that this option should be discounted.

Sell or issue a long lease to another party and then lease back part of the building

- 8.21 This option would involve selling the building or granting a long lease to another party on the basis that KCC could lease back part of the building for the library to use. Creative Folkestone is the only potential partner so far to have proposed taking forward this type of arrangement.
- 8.22 As explained above, many consultees felt that the Grace Hill building should be repaired and remain as a library, often highlighting the building's specific characteristics. Some consultees also preferred the location of the Grace Hill library to the high street. 17 consultees (3% of those answering the question), when explaining their agreement or disagreement with the proposal to permanently leave the Grace Hill building and find an alternative location on the high street, expressed a view that KCC should consider the Creative Folkestone proposal. When asked to provide comments on alternative options, 25 consultees (7% of those answering the question) said that KCC should consider the Creative Folkestone proposal, and a further 14 (4%) gave positive responses regarding a sale and leaseback. 64 consultees (18% of those answering the same question) indicated that KCC should share the Grace Hill building with partner services as a way of keeping the library there. A smaller number of consultees referred to the Creative Folkestone proposal when providing any further comments not already covered in their consultation response.
- 8.23 This option is subject to ongoing engagement with Creative Folkestone and may also involve the consideration of proposals from other individuals or groups, should any such proposals be made (including through the ACV process). Continuing to explore this option is consistent with important elements of consultation feedback. Officers intend to return to Cabinet Members and Cabinet Committee with further information and analysis in due course.

Permanently leave the Grace Hill building and find an alternative town centre location for the library

- 8.24 This remains a potential option for returning a full town centre library and registration service to Folkestone. The consultation explained that, following its purchase of the former Debenhams store on the high street, now named FOLCA, Folkestone & Hythe District Council's (FHDC) ambition was to deliver a mixed-use building in the heart of Folkestone. KCC officers have engaged with FHDC's officers around the potential for the library to be part of the project which is looking at concept design for a combination of public sector, community and commercial space. KCC's proposal, subject to consultation feedback, was to take forward the detailed work needed with the District Council to realise this project. If, for any reason it was not possible to progress a move to FOLCA, then the consultation explained that KCC would commit to finding an alternative town centre site.
- 8.25 This option would meet the service's requirements. The FOLCA building could provide a public library space that is equivalent to the public library and registration spaces at Grace Hill. It would offer potential advantages in terms of the ability to develop a new modern library layout design and the potential to work and collaborate with other public services. It would also offer advantages in terms of its location. A high street location for the library service

would bring greater visibility and opportunities to attract customers to the service. If, for any reason, it was not possible to take forward the FOLCA building, officers would look at other leasehold sites available on or close to the High Street. Officers have initially identified some potential alternative leasehold sites.

- 8.26 This option would be financially viable. It would avoid the need to spend an estimated £2.9m on repairing the Grace Hill building which, as explained above, is not considered to be affordable given KCC's financial position. If the library service were to leave the Grace Hill building, the building would be declared surplus to requirements, enabling KCC to potentially realise a capital receipt, after following the ACV process. This option would also avoid the risk of exposure to significant future maintenance liabilities if KCC remained responsible for the Grace Hill building. KCC currently estimates that the capital investment needed to move into the FOLCA building and transform the empty space into a functioning library would be around £150,000 to £200,000. The service and building operating costs (including staffing and service charge) would be expected to be similar to how much it cost us at Grace Hill.
- 8.27 Officers assess that this option is deliverable, although there are areas of uncertainty. The FOLCA option is subject to more detailed development, working with the District Council. Prior to consultation, officers at KCC and FHDC drew up indicative costs and principles of a potential lease arrangement. Further details would need to be developed and formal agreement would be needed. FHDC submitted a consultation response making clear that its first preference was for KCC to make repairs to, and re-open the Grace Hill building, co-locating with other service, with a second preference of selling and leasing back part of the building for the library service. FHDC explained that:
- If KCC decides against these options, then our preference is the library service be retained in Folkestone town centre. However, this option should not be considered without full public disclosure of both the outcome of this consultation together with the basis for the final decision made.*
- It is only at that point that this Council would be able to consider progressing a decision about using Folca for the library and registration services.*
- 8.28 Some consultees raised concerns about the cost and time involved in converting FOLCA or another town centre site, including specific concerns about the condition and suitability of the FOLCA building and possible maintenance issues. Any building issues would need to be addressed as part of the project. Ultimately, responsibility for the building would rest with FHDC as owners of the building. It is also acknowledged that time would be needed to complete all necessary works and that overall timescales for delivery are still to be confirmed and subject to FHDC's governance and processes.
- 8.29 Relocating to the FOLCA building would be likely to reduce KCC's carbon footprint relative to remaining at the Grace Hill building. The same would likely be true of an alternative town centre site.

- 8.30 There was support for KCC's proposed option among a significant proportion of consultees. While more consultees disagreed than agreed, 38% of consultees indicated that they agreed with KCC's proposal to permanently leave the Grace Hill building and find an alternative town centre location for the library service (21% agreeing, and 17% tending to agree). The most common reason for agreement related to the view that the library should be located in a convenient town centre location. A significant minority of consultees also agreed with KCC's proposals given the financial reasons described in the consultation. Some consultees expressed enthusiasm for the FOLCA project on the basis that FOLCA is itself an important building for the town centre. 43% of consultees indicated they agree with KCC's preferred option to move the service to FOLCA. Again the most common reason for agreement related to the location of FOLCA (including access, parking and transport).
- 8.31 50% of consultees disagreed with the proposal to leave the Grace Hill building and find an alternative town centre location for the library and registration service, and 51% disagreed with KCC's preferred option to move the library and registration service to FOLCA. The most common reasons for disagreement with the proposal to leave Grace Hill are discussed above (see paragraph 8.10). Consultees also raised specific concerns about the suitability of the FOLCA building (see paragraph 8.28 above).
- 8.32 Considering KCC's critical success factors, other relevant considerations, and consultation feedback, it is considered that KCC's proposal for the service to permanently leave the Grace Hill site and find an alternative town centre location remains viable, and should not be discounted.

ACV Status of the Grace Hill building and Recommendation to Issue Notice of Intention to Dispose

- 8.33 As explained above, it is recommended that further consideration should be given to the two options referred to at paragraph 8.2.
- 8.34 It should be noted that both of these involve inherent uncertainties and would require detailed work with partners over an extended period of time, including on legal agreements, funding, and redevelopment works.
- 8.35 Both recommended remaining options would very likely involve a disposal of the Grace Hill building to a third party (by way of freehold transfer or grant of a long lease) in line with KCC's **disposal policy** ([link to policy](#)). This would free KCC of responsibility for maintenance and repair of the Grace Hill building which would pass to the third party.
- 8.36 The Grace Hill building is listed as an asset of community value (ACV) under relevant provisions of the Localism Act 2011. KCC therefore cannot enter into a "relevant disposal" of the building unless a number of statutory conditions are met. A relevant disposal is a disposal of the freehold estate of the land with vacant possession or the grant of a lease of a term of at least 25 years. Both recommended remaining options would very likely involve KCC entering into a relevant disposal.

- 8.37 Given the above, it is recommended that KCC now issues a notice of intention to dispose to Folkestone and Hythe District Council (FHDC). This would trigger the ACV process. Separately, bids would be invited on an all-enquiries basis including freehold disposal or via a long-leasehold structure and would be compliant with KCC's disposal policy. KCC would invite bidders to set out the detail of proposals that could allow the LRA service to remain in part of the building. This would enable consideration of all proposals regarding the building. It would also allow both the recommended remaining options to continue, and officers to return to Cabinet Members and Cabinet Committee with further information and analysis, and recommendations for decision-making.
- 8.38 Issuing a notice of intention to dispose will trigger an initial six week moratorium period, during which any community interest group may submit to FHDC a written request to be treated as a potential bidder for the land. If no such request is received from a community interest group within the six week moratorium, then from an ACV perspective KCC will be free to dispose of the Grace Hill building in line with its disposal policy. However, if a written request is received within the initial moratorium, it will trigger the six-month 'full moratorium period' during which KCC may not enter into a relevant disposal other than to a community interest group. KCC is not obliged to accept any bid from a community interest group. At the end of the full moratorium, from an ACV perspective KCC will be free to dispose of the Grace Hill building as it wishes in line with its disposal policy.

9. Commercial Bids

- 9.1 Under section 123 of the Local Government Act KCC has a statutory duty to obtain best consideration in the disposal of land, unless the purpose for which the land is to be disposed is likely to contribute to the promotion or improvement of economic, social, or environmental well-being. KCC's approach in relation to freehold asset disposals is set out in the Council's disposal policy, including how value in relation to KCC statutory services can be considered alongside commercial bids as part of an open marketing process. KCC will need to consider any potential disposal in light of its disposal policy in due course.

10. Temporary Provision

- 10.1 As explained above, temporary town centre library and registration service provision has been put in place following the closure of the library in December 2022. Some consultees raised concerns about the sufficiency of this as well as the time it was taking in bringing back a full town centre library and registration offer. Cabinet Committee is asked to note that either of the two recommended remaining options will take a significant period, possibly years, to deliver.
- 10.2 It is therefore proposed to explore further and implement an alternative town centre location where temporary library and registration services could better be delivered with a greater range of services, within current budgets, until a permanent library and registration service location is opened in the town centre. This could include a single site temporary library and registration

service which could include a children's library, public PCs, birth and death registration, the heritage collections and lending book collections for example..

11. Legal Implications

- 11.1 Cabinet Committee is asked to note KCC's ongoing statutory duty relating to the provision of a 'comprehensive and efficient' library service across the County. Officers consider that the current temporary provision in Folkestone meets this duty although, as above, we recommend that further enhancements of the temporary provision are explored.
- 11.2 The Committee is also asked to note the legal requirement that KCC gives conscientious consideration to consultation responses. Committee Members should give careful thought to the analysis of consultation responses in this report, the analysis set out in the draft consultation response at Appendix C, and the consultation report at Appendix B.
- 11.3 KCC must comply with the Public Sector Equality Duty in s. 149 of the Equality Act 2010. Cabinet Members are referred to the Equality Impact Assessment (EQIA) at Appendix D.
- 11.4 The statutory requirements relating to the status of the Grace Hill building as an asset of community value are covered above.

12. Equalities implications

- 12.1 An EqIA has been undertaken for this project which has been updated following the public consultation. The key findings from this support the recommendations of this paper:
 - KCC is committed to providing a full town centre library service for everyone. This is restated to mitigate any concerns raised that certain customer groups e.g. children would be disadvantaged.
 - There was feedback that any move of the library away from Grace Hill may increase is distance from the immediate area and make the service less accessible for those with protected characteristics in that area. Whilst the immediate location in Grace Hill does have high levels of deprivation, it is considered that a high street location does have the advantages of greater accessibility across the district for those that have protected characteristics.
 - Equally there was also feedback that a town centre location would be an improvement with parking and public transport links close by.
 - Any design of future library and registration space for Folkestone would consider feedback to ensure that wherever it is located we deliver an inclusive and accessible space for all.
 - The EQIA will continue to be developed as part of next steps.

- 12.2 The full EQIA is included as Appendix D

13. Financial Implications

- 13.1 The £2.9m estimated costs are simply to repair the building. As explained in the options analysis, spending £2.9m on repairing just one building is not justifiable. KCC also needs to be mindful of the risk that significant additional costs may be required in future, given the age, construction, and listed status of the building. It is recommended that other options (i.e. continuing with the current temporary provision and relocating the service to another existing KCC building) are discounted for non-financial reasons. The financial implications of the recommended remaining options will be further addressed in a future decision report.
- 13.2 The Best Value Duty is a statutory requirement for local authorities under Part 1 of the Local Government Act 1972 and 1999. The financial context of the Council remains challenging, and any decision will be taken considering both the capital and revenue financial position in determining the best value solution.

14. Governance

- 14.1 Future Key Decision paper to come to Cabinet Committee on the location of the permanent provision once further work on the recommended remaining options has been undertaken.

15. Conclusions

- 15.1 While recognising consultees' views about the Grace Hill building, it is not considered that making the necessary repairs to the building is financially justifiable.
- 15.2 It is recommended to undertake further work on the two remaining options set out at paragraph 8.2 above.
- 15.3 Both these options would very likely involve a disposal of the building to a third party, which would free KCC of responsibility for maintenance and repair of the Grace Hill building. It is recommended that KCC now issues a Notice of Intention to Dispose in respect of the Grace Hill building to FHDC. This would allow further work to continue on both remaining options. It would also allow KCC to consider any further proposals or options that come forward.
- 15.4 Officers intend to continue to explore other alternative town centre locations including continued exploration of the FOLCA option with FHDC.
- 15.5 It is also recognised as set out in the feedback the desire to see town centre library provision return to a single location as soon as possible. It is proposed to look at the options for improved temporary provision while we take forward work on a permanent solution.
- 15.6 Officers propose to return to Cabinet Members and Cabinet Committee in due course with further information and analysis to enable an informed decision to be made about the future of Folkestone Library and the registration service.

16. Recommendation(s):

16.1 The Cabinet Committee is asked to endorse or make recommendations to the Cabinet Member for Community and Regulatory Services on the proposed decision to:

- A. APPROVE to issue the draft consultation report set out in Appendix B.
- B. APPROVE to Issue the consultation response set out in Appendix C.
- C. Note that KCC remain committed to a full town centre library provision in Folkestone Town Centre.
- D. APPROVE that further work be undertaken to explore and implement an alternative town centre location for the temporary library and registration service, from which a greater range of services could be delivered, within current budgets, until a permanent library and registration service location is opened in the town centre.
- E. APPROVE that the options for the future of the Grace Hill building which involve KCC retaining responsibility for maintenance and repair of the building, be discounted, acknowledging that this will very likely require KCC to make a disposal of the building to a third party (by way of freehold transfer or grant of a long lease), and progress actions relating to its listing as an asset of community value (ACV), including issuing a notice to Folkestone & Hythe District Council of intention to dispose (Folkestone & Hythe District Council being the statutory body that administers the ACV process under the Localism Act 2011) This notice will trigger the ACV process.
- F. APPROVE that further work be undertaken on the two remaining options, including further engagement with Creative Folkestone and, if appropriate, other individuals or groups who may make proposals for the Grace Hill building (including through the ACV process).
- G. DELEGATE authority to the Corporate Director of Growth, Environment and Transport to issue the draft consultation responses
- H. DELEGATE authority to the Corporate Director of Growth, Environment and Transport, in consultation with the Cabinet member for Community and Regulatory Services to proceed with the work required on the remaining two options, noting that these will be subject to further governance and decision making
- I. Delegate authority to the Corporate Director of Growth, Environment and Transport in consultation with the Cabinet Member for Community and Regulatory Services to take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision as shown at Appendix A
- J. Delegate authority to the Director of Infrastructure in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services take other relevant actions, including but not limited to finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision as shown at Appendix A

18. Appendices

Appendix A- Proposed Record of Decision

Appendix B- Folkestone Library consultation report

Appendix C- Draft KCC consultation response themes consideration
and alternative proposal and alternative ideas consideration.

Appendix D- Folkestone Library EQIA

19. Contact details

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