

<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b>	<b>Acting Strategic Director of Place</b>
<b>Date of Decision:</b>	<b>18 OCTOBER 2016</b>
<b>SUBJECT:</b>	<b>COMMUNITY LIBRARY SERVICE – CONSULTATION ON TIERED DELIVERY MODEL</b>
<b>Key Decision: No</b>	<b>Relevant Forward Plan Ref: N/A</b>
<b>If not in the Forward Plan: (please "X" box)</b>	<b>Chief Executive approved <input type="checkbox"/></b> <b>O&amp;S Chairman approved <input type="checkbox"/></b>
<b>Relevant Cabinet Member(s) or Relevant Executive Member</b>	<b>COUNCILLOR IAN WARD, DEPUTY LEADER</b>
<b>Relevant O&amp;S Chairman:</b>	<b>COUNCILLOR ZAFAR IQBAL, ECONOMY, SKILLS AND TRANSPORT</b>
<b>Wards affected:</b>	<b>ALL</b>

<b>1. Purpose of report:</b>
<p>1.1 To provide background to development of the library model and to seek approval to the proposed principles of the tiered library service model to enable detailed consultation to commence with internal and external stakeholders.</p> <p>1.2 Appendix 1 contains the detail of the proposed future model for community libraries. This Cabinet report seeks approval to commence public consultation on the proposals attached in Appendix 1 with the outcome of the consultation being used to develop a final model to be brought to cabinet for a decision to implement.</p>

<b>2. Decision(s) recommended:</b>
<p>That Cabinet :-</p> <p>2.1 Authorise the commencement of a consultation process on the tiered library model as set out in section 5 of this report and detailed in Appendix 1.</p> <p>2.2 Agree that following completion of the consultation exercise, a model including any required amendments and the responses from the consultation, is brought back to Cabinet in Spring 2017.</p> <p>2.3 Approves the funding of the prudential borrowing costs from the overall City Council resources and that this is reflected in the LTFP.</p>

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### **3. Consultation**

#### **3.1 Internal**

- 3.1.1 This report enables the formal commencement of the internal consultation with staff and trade unions. This will run concurrently with the public/external consultation. Initial meetings with staff and Trade Unions have taken place on the 10<sup>th</sup> October in this regard.
- 3.1.2 A meeting took place with the Overview & Scrutiny Chairman for Economy, Skills and Transport on the 20<sup>th</sup> September to provide an overview and seek feedback on the overall model and consultation approach. Meetings with the leaders of the opposition groups were scheduled for the first week of October.
- 3.1.3 The consultation process will run from 21<sup>st</sup> October 2016 to 23<sup>rd</sup> January 2017, the views of ward members will be sought throughout this period and individual meetings will take place where requested. There will be an opportunity to review times of operation of each site within the total hours ultimately allocated to libraries following consultation.
- 3.1.4 The Head of Library Services and the Assistant Director, Culture and Visitor Economy have been consulted on the report and have endorsed the proposed strategy of two phases to the change (the tiered approach followed by a transformational change).
- 3.1.5 Appendix 1, section 9, sets out the detail of the public consultation which includes four main public meetings plus meetings held at, or near, all library locations. Information will be available at local libraries and individuals and groups will be able to submit their views on the proposals via the Be Heard system and via the questionnaire (Appendix 4).

#### **3.2 External**

- 3.2.1 The model has been developed following exploration of other models considered to be best practice and has included input from peers in other Library Authorities including Manchester and Warwickshire.
- 3.2.2 Other bodies such as the National Library Task Force have recognised that nationally authorities are having to make difficult decisions in light of their limited budgets but, if short-term savings really are required, it needs to be clear how the proposals developed sit alongside - and in the context of - the overall strategic direction of travel and a future-facing vision. They should not prejudice longer-term ambitions
- 3.2.3 The contents of this paper and in particular Appendix 1 will be consulted on for a 12 week period. Customers, partners and other stakeholders will be consulted on the draft proposals prior to finalising the model, with meetings taking place as appropriate.
- 3.2.4 The responses to the consultation and the finalised model for implementation will then be presented to Cabinet in Spring 2017.

#### **4. Compliance Issues:**

##### **4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?**

4.1.1 The recommendation enables detailed consultation to take place on savings proposals that were part of the 2015/16 budget decision and consulted on at a high level at that time.

4.4.2 Libraries have a key role to offer in supporting three of the council's policy priorities of children, jobs & skills and health and this is reinforced in the proposed model by a new service focus on the Society of Chief Librarians' five Universal Offers of Reading, Learning, Health, Digital and Information.

##### **4.2 Financial Implications**

4.2.1 The Community Library Services approved savings programme from 2016/17 has totalled £1.9m (this includes savings of £1.1m in 2015/16, savings of £0.3m in 2016/17 and £0.4m in 2017/18 – additional cross-cutting workforce savings of £0.1m have also been allocated to the service). The estimated budget for the service in 2017/18 is £3.7m (after taking into account capital financing charges).

##### **4.2.2 Summary of Current Finances**

- The current net approved budget for the service in 2016/17 is £4.4m and the projected expenditure is £5.5m (the key components of the projected expenditure includes employees of £3.7m, premises of £1.3m, capital finance costs of £1.2m and other expenditure of £0.8m – the expenditure is offset by income of £0.3m and £1.2m for the capital finance adjustments).
- The projected overspend of £1.1m in 2016/17 is a reflection of the continuing development of the complex new operating model. It may be possible for the projected overspend to be reduced but this will depend on the continuation of tight expenditure controls and on the timing of the implementation of the new operating model, following the completion of the public consultation.
- The projected overspend will need to be managed within the overall Place Directorate approved budget for 2016/17 (after taking into account any potential temporary corporate support in 2016/17).
- The provisional cash limits for 2017/18 to 2019/20 are estimated at £3.7m (after taking into account approved step up savings of £0.4m and the fall out of one-off funding provided from the Future Council Programme of £0.3m).
- The provisional cash limits could be affected by future additional savings that may be approved and allocated to the service including additional cross-cutting workforce savings.
- It is assumed that the budget will be adjusted as necessary for approved pressures e.g. pay awards and increases in employer's pensions/national insurance.

#### 4.2.3 Financial Implications of The Future Operating Model

The financial implications of the new operating model are based on the following assumptions:

- There will be investment of £0.8m in new technology to improve self-service (this will be funded from prudential borrowing repayable by the council over a five year period).
- Additional income of £0.25m is anticipated through the hire of facilities, the completion of benefit verification work and the introduction of a charge for reservations.
- The book fund will be established at £0.38m.
- A future staffing establishment of 88.66 FTE's staff (a budget for pension strain of £0.05m has been allocated for a three year period for former employees, after which this will be used to invest in premises improvements - any increase in pensions strain above the £0.05m from the current reorganisation would need to be funded by the service).
- The closure of Aston and Sutton Coldfield Libraries is estimated to save £0.7m in operational costs (after taking into account employees, premises, other operational costs and offset by loss of income) - this is based on the Outturn for 2015/16.
- The financial proposals include provisions for repairs and maintenance that are considered appropriate (based on historical expenditure) in order to ensure that all health and safety obligations are maintained and that the buildings can be operated safely.

#### 4.2.4 Overall Position

The financial projections based on the proposed operating model indicate that there will be a shortfall of £0.174m (related to the cost of prudential borrowing) compared to the current approved cash limit. This will have to be funded from either corporate resources or the approved Place Directorate Budgets to 2019/20.

4.2.5 The Medium-Term Financial Plan 2016/17– 2019/20 as set out in Appendix 2.

#### 4.3 Legal Implications

4.3.1 The Council has a statutory duty pursuant to the Public Libraries and Museums Act 1964 to provide a “comprehensive and efficient Library service” to all those seeking to make use of it. This duty is discharged through a combination of services across the city including for example the Library of Birmingham and 37 Community Libraries.

- 4.3.2 The model being consulted on retains City Council involvement in 36 libraries (The Library of Birmingham and 35 libraries proposed as Tiers 1-3) of the 38 libraries in the city. The proposed model seeks to support aspects of further library provision (in addition to the Mobile Library and Library Services at home) that may be put forward by groups wishing to offer additional Tier 4 services in new areas.
- 4.3.3 There is a need to ensure that the Equality considerations and duties are paramount to the consultation process and the proposals relating to the library service.
- 4.3.4 Analysis of the consultation process will be used to ensure that the resultant model put forward to Cabinet for a decision will deliver the required comprehensive and efficient library service and the required Equality duties.

#### 4.4 Public Sector Equality Duty

- 4.4.1 A full equality assessment will be carried out using information gathered from the consultation exercise and will be finalised to use as part of the future decision report.
- 4.4.2 The initial Equality Assessment drawn up to commence consultation is attached as Appendix 3, along with additional supporting documentation including a Needs Assessment, maps, and individual Library & Catchment Area Profiles.

### 5. **Relevant background/chronology of key events:**

- 5.1 From 2004 to 2015 Community Libraries were managed through District Committees. The library service in Birmingham is now managed within the Place Directorate and needs to design a service that is fit for the 21<sup>st</sup> Century which is financially sustainable and is underpinned by transformational change to deliver on a modern set of outcomes. To deliver the type of change required will take time and a phased approach, and the city council will need to work with and listen to partners at a national level and with organisations and individuals from local communities.
- 5.2 The first phase of change is necessary as a result of the budget limitations within the Community Library Service. The proposals set out in this report maintain significant library provision and seek to maximise accessibility and partnership working. In doing so the proposals establish a stable position from which a second phase of service transformation can be progressed.
- 5.3 The proposals contained within this report will be subject to consultation and an open dialogue with all such stakeholders in order to ensure that all opportunities and solutions are fully explored.
- 5.4 The City Council has 38 main libraries in the city alongside a range of further library services such as the prison library service, mobile library service and library services at home. The 38 main libraries consist of the library of Birmingham, and then 20 community libraries (open 5 days/ week) and 17 community libraries (open 4 days/week). There is one further community library being run through a partnership with a community organisation. Of the 38 libraries, two are temporarily closed. A service is being provided at Bloomsbury through a temporary static site and at West Heath via a mobile library stop.
- Current service provision across the city consists of:

**Library of Birmingham** services include lending and reference services, specialist services for children and young people, music library, business library, the city archive and special collections. The Library acts as a gateway to wider services such as business support, job search, health and also supports tourism. The Library provides study space, access to the internet as well as a range of cultural, social and educational activities for residents. The Library of Birmingham is the most visited free attraction outside London with 1.7 million visits p.a.

**37 Community Libraries** services include both lending and reference services. These libraries attract over 2 million visits p.a. across the sites. In 2015/16 1.59 million books were issued through our Community Libraries. These Libraries, like the Library of Birmingham also provide study space and access to the internet as well as a range of cultural, social and educational activities for residents. The events and cultural activities attracted more than 172,000 attendances throughout the year. Children's activities are delivered at all sites and during the summer of 2015, 7691 children participated in the summer reading challenge.

**The Mobile Library** serves residents in neighbourhoods, children and families, schools and nurseries, people geographically isolated from existing community library provision, and people with limited transport or limited mobility. The Mobile library service is delivered via a van which moves around the city offering 'stops' for people to obtain and return books as per the timetable below.

**Library Services At Home** reaches vulnerable residents confined to home through age, disability, long-term illness, frailty or mobility. It provides essential reading and information resources and acts as a gateway to the wider range of Library and City Council services and referrals to other agencies. The Library Service at Home, a van based service which visits vulnerable individuals in their own homes, is currently closed to new entrants.

**The Prison Library Service**, serves prisoners and their families offering education through access to distance learning, qualifications, literacy and ESOL programmes, recreational reading for prisoners and their families.

- 5.5 The Library of Birmingham and the Strategic Library Service had £3.1m savings to make in 2015/16 and made operational changes last year to put these savings into place. The 37 Community Libraries have a cumulative saving (2015/16 to 2017/18) of £1.9m and need to deliver a revised service within a net budget of £3.7m. This report focusses on the first phase of change needed in our Library Service which is driven by the need to deliver the £1.9m saving.
- 5.6 The starting point for the model (Appendix 1, Section 5) has been to carry out an assessment using an objective mechanism to prioritise the 37 community libraries (Appendix 1, Section 4). This was undertaken by officers using 11 criteria drawn from library reviews that have taken place in other authorities. All the criteria had an equal weighting and each library was ranked 1 to 37 depending on where they scored on the criteria.
- 5.7 The ambition of the authority has been to maximise the coverage across the city, of library services and a model has therefore been developed based around a number of concepts/principles:

- The library service provision should be prioritised using proven methods used by other library authorities
- Retaining a local library service with reduced hours is preferable to a closure
- Libraries should focus on delivering the main outcomes associated with the universal offers:
  - Reading
  - Learning
  - Health
  - Digital
  - Information

With the main libraries offering a wider range of services either delivered through the City Council or by partners.

- Where it is necessary to close a library, additional opening hours and/or services should be offered from a neighbouring library or libraries.
- Where community groups are able to take on the operation of a library, they will be provided with 15 hours a week of operational support from Birmingham City Council library staffing.
- Customers should be encouraged to undertake routine and less complex tasks such as borrowing and returning items themselves – and £824k of investment has been set aside to improve self-service/kiosks in our libraries.
- Library Services do not have to be delivered from the current library buildings, if better property solutions exist and more integrated service provision delivered this will be considered.
- Community involvement will be welcomed in all libraries and all options for working in partnership will be actively considered. A Community Library Partnership will be established for those organisations wanting to support delivery of this approach. A small pump priming grant totalling £20,000 will be made available for service proposals contributing to the universal offer outcomes.
- Securing investment to modernise the library offer remains a priority.

5.8 The above principles have resulted in the development of a Tiered model of library service delivery.

- Tier 1: Main Library – these would be open for 35 hours, more likely to be delivered from the current library building and have other services delivered from the site such as the benefit verification service. All will have investment in installing self-service equipment. The proposal is for 19 sites to be in this category.
- Tier 2: Community Library – these would be open for 21 hours, likely to be delivered from the current library building although options may exist to increase hours of operation by working with partners. The proposal is for 10 sites in this category.

- Tier 3: Supported Community Library – these would be run by a community organisation, from either their own premises or via a transferred facility. The City Council’s library service will work in partnership to support the organisation through 15 hours of operational support, through the provision of books and investment in self service equipment. The proposal is for 6 sites to be in this category.
- Tier 4: Community Initiated Library Services – the proposal under Tier 4 is to ensure that any local schemes put forward that increase access to one of the universal offers (Digital, Learning, Information, Reading and Health) are considered for support i.e. this could be organisations wanting to loan books or providing free internet access etc. There is no proposed number for the local offer this will be dependent on the ideas that come forward and the number that can be supported through the £20,000 small grant budget available. One site already falls into this category.

The City Council’s recently launched Local Innovation Fund may also stimulate further creativity around Tier 4 initiatives.

- Library closures: The proposal is that two of the 37 Community Libraries in the city should close and in each case a neighbouring library should have their hours increased. Under the model Sutton Coldfield Library would close, with investment being made to increase opening hours at Mere Green Library and Aston Library would close with Birchfield Library increasing its hours and moving from Tier 2 to Tier 1 provision.

5.9 Sites have been placed into Tiers 1-3 based on the scoring matrix attached in Appendix 1, Section 4. This used 11 criteria drawn from reviews that have taken place in other authorities. These were:

1. Population of library catchment area
2. Total children and young people aged 0-19 in the library catchment area
3. Total adults aged 65+ in the library catchment area
4. Number of libraries within 2 miles of a library
5. Total books and other items issued
6. Average Index of Multiple Deprivation score
7. Total visits
8. Cost per visit
9. PC Usage
10. Total attendance at activities and events
11. Building performance (sites scored better if had recent investment or were new build)

The final tiering was modified to take account of the two sites proposed for closure and the subsequent increase in opening hours at neighbouring libraries. A map showing the proposed geographical spread is set out in Appendix 1, Section 6

5.10 The detail of the proposed model is set out in Appendix 1 however by tiering the service provision and by looking to maximise the opportunities for working with others, whether that be additional service provision, co-location or working alongside local interested organisations, the tiered model offers to protect a wider range of provision than could otherwise have been the case.



- 5.11 The City Council recognises the high level of importance attached to this service by the people of the city and wants to embark upon a 12 week extensive consultation (Appendix 4 sets out the consultation questionnaire) to both engage upon the concept of prioritising through a tiered model but also to explore in detail the full range of ideas that come forward from individuals, organisations and communities who want to actively engage in the provision of library services in their specific local area.
- 5.12 Following approval of this report, formal consultation will commence on 21 October 2016 until 23 January 2017. A further report will be presented to Cabinet in Spring 2017 with a recommended model for implementation.

**6. Evaluation of alternative option(s):**

- 6.1 The main alternative options were to (a) implement open plus technology/have libraries that can operate in unstaffed mode, (b) to close a number of 'lower priority' libraries across the city, or (c) to deliver the service via a staff led mutual. The initial option appraisal that was completed, suggested that the latter was not a financially viable model in the short term.
- 6.2 The introduction of a tiered model does not require or preclude the option of a staff led mutual.

**7. Reasons for Decision(s):**

- 7.1 Changes are needed to the community library service in order to address the £1.95m cumulative saving required in 2017/18. The proposals to commence consultation will enable a report to be brought forward for decision on how the requirements of the full year savings in the 2017/18 budget can be met. In the longer term a second phase change is required through a transformational approach and a Birmingham Library Task Force will be established to oversee this.

<b>Signatures</b>		<b><u>Date</u></b>
Cabinet Member	..... Cllr Ian Ward, Deputy Leader	.....
Chief Officer	..... Jacqui Kennedy, Acting Strategic Director of Place	.....

**List of Background Documents used to compile this Report:**

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**List of Appendices accompanying this Report (if any):**

1. Consultation on a Tiered Delivery Model for Libraries in Birmingham
2. Medium Term Financial Plan 2016/17-2019/20
3. Initial Equality Assessment
  - 3a. Needs Assessment
  - 3b(i)&(ii) Maps indicating 2 Mile Radius
  - 3c. Individual Library & Catchment Area Profiles
4. Consultation Questionnaire