

**CAMBRIDGESHIRE LIBRARY SERVICE REVIEW**

**To: Cabinet**

**Date: 25<sup>th</sup> January 2011**

**From: Rod Craig, Executive Director of Community and Adult Services**

**Electoral division(s): All**

**Forward Plan ref: 2011/009** *Key decision: Yes*

**Purpose: To present to Cabinet the final report of the Library Service Review, containing a full set of recommendations and proposals for the future of the Library Service within the Council's Integrated Plan, and business cases on the following aspects of the Library Service Review:**

- Externalisation
- Shared library support and specialist services
- Alternative service delivery approach
- Library infrastructure

**To seek Cabinet's approval of these proposals, in particular the necessity to include other Community and Adult Services (CAS) services within the Trust delivery model, i.e. Archives, Cultural Services and Adult Learning, from the outset.**

**If agreed, these proposals would go forward:**

- as part of the Council's Integrated Plan which provides the overall context for the decisions on these Services
- implementation beginning from March 2011 onwards, alongside further detailed public consultation

**Recommendation: Cabinet is asked:**

- a) to note the further detailed analysis work which has been carried out on the Library Service Review, leading to the production of:**
- detailed business cases on:
    - externalisation options
    - alternative service delivery approach
    - first stage assessment of libraries as a starting point for further detailed assessment and consultation leading to rationalisation of the infrastructure, especially the use of buildings

- a report of the appraisal and outcomes of the community engagement process.
- b) to agree the overall strategy for the future of the Library Service
- c) to authorise officers to pursue:
- the creation of a charitable trust formed as a company limited by guarantee, to deliver the County Council's library, archive, adult learning and culture services
  - the externalisation of the County Council's Archives, Adult Learning and Skills and Culture Services to the same trust
  - Cambridgeshire's participation in the library support and specialist shared services partnership (called SPINE) with other library authorities in the East of England
  - ways of including key elements of the cost of corporate overheads in the externalisation package, as this will be critical to its viability
  - the principle of targeting the Council's direct operation of libraries at the libraries serving the largest populations and at communities with the greatest need
  - the exploration of alternative ways of delivering local community library service provision, including shared use of buildings as community hubs or transfer of service points to community managed and operated service points (in an enhanced and improved Library Access Point model), if possible. If this is not feasible, this will inevitably lead to some library closures
  - the implementation of an alternative approach to service delivery across the Council's directly operated libraries, involving self-service operations and increased use of volunteers
  - further public consultation on the detailed implementation of these proposals.

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## 1. BACKGROUND

1.1 This report follows the report to the 28<sup>th</sup> September 2010 Cabinet meeting, at which Members resolved that officers should take the following actions:

- Produce detailed business cases on:
  - externalisation options (see section 3 below; the business case which is attached as Appendix 1 to this report; and the Executive Summary of the consultant's report on externalisation which is attached as Appendix 2 to this report)
  - the alternative service delivery approach (see section 4 below and the business case which is attached as Appendix 3 to this report)
  - the assessment of libraries for either a possible library access point model, a community hub or closure (see section 5 below and the business case which is attached as Appendix 4 to this report)
- Review the Library Assessment methodology to ensure it fairly reflects service accessibility in both rural and urban settings. (A detailed explanation of the revised methodology and the results of its use is attached as Appendix 5 to this report).
- Review Cambridge Central Library's role with a view to integration of library services within Cambridge City. (See section 6 and the report which is attached as Appendix 6 to this report)
- Produce a full appraisal and analysis of the outcomes of the user / community engagement process which ended on 30<sup>th</sup> September 2010. (This is attached as Appendix 7. The community engagement process has influenced the shaping of the alternative service delivery proposal and the community needs analysis which underpins the library assessment exercise.)
- Based on this further analysis, present an overall strategy for the future of the Library Service:
  - for adoption by Cabinet at (this) 25<sup>th</sup> January 2011 meeting
  - confirmation by full Council in February 2011
  - Implementation from April 2011 onwards, following further detailed public consultation.

1.2 At the 28<sup>th</sup> September Cabinet meeting, Members agreed to:

- support Cambridgeshire's participation in the shared services agreement with partner authorities in the East of England in the project called SPINE (Shared Partnership In the East)
- continue to pursue all externalisation options
- look at the potential to include essential critical elements of the cost of corporate overheads in any externalisation package
- the Library Service fitting in with the Coalition's drive for Localism and The Big Society with an emphasis on libraries being community hubs providing wider services

## **2. OVERALL PICTURE OF THE FUTURE LIBRARY SERVICE**

2.1 If all these proposals are accepted and are achieved by April 2012 as planned, then the overall shape and picture of the future of the Library Service will be:

- Library services delivered – together with Archives, Adult Learning and Cultural Services - by a separate charitable Trust working under contract to the County Council. This Trust will be entrepreneurial and able to gain additional business and funding to help ensure a sustainable future for the services delivered by the Trust. As a charity, the Trust will be able to pursue tax and rates advantages not available to the Council.
- In turn, the Trust will commission some of its support services from other bodies, e.g. library-specific support and specialist services from SPINE, generic support services from Local Government Shared Services (LGSS)
- The Trust will enable greater community participation in the services it delivers through volunteering; running of Library Access Points; and involvement as members of Friends groups, Community Management Boards, or the Board of Trustees
- The service will be delivered by a core complement of paid staff and a large number of community volunteers in a range of well defined and carefully managed roles, covering the range of activities of the Trust
- The Trust would work with a wide range of partners in terms of joint and / or co-located service delivery, as part of community hubs. Community hubs may or may not be based in the current library buildings
- The library service will be delivered through:
  - a rationalised network of staffed libraries, following an objective assessment of community need, library performance and extensive consultation with communities and partners
  - community run Library Access Points as an alternative option for those libraries which cannot be maintained .
  - mobile library service for smaller rural communities
  - remote / online access to services
  - outreach services for those unable to access services directly for themselves
- If no other alternatives prove feasible then some libraries will close by April 2012.

## **3.0 EXTERNALISATION AND SHARED LIBRARY SUPPORT AND SPECIALIST SERVICES**

3.1 The business case covering externalisation of the service to a third party and shared services through SPINE is attached as Appendix 1 to this report. The potential to share services and for the service to be externalised was discussed during the public engagement, and most participants were in favour of this approach as a sensible means of saving money and leveraging more external income, whilst cautioning against some of the pitfalls of 'privatisation'.

3.2 **Externalisation to a third party:** Consultants, Leonie Cowen & Associates, were appointed in late 2010 to carry out a rapid assessment of the financial viability of various externalisation models, and to evaluate and advise on the best model of externalisation for Cambridgeshire Libraries and Archives, Adult Learning and Skills, and Cultural Services. This is in order to achieve

economies of scale across these strategically aligned services and to both realise the required level of savings and create sustainable governance and delivery arrangements that will enable residents to continue to enjoy excellent services. They considered three possible options:

- A procured solution
- A mutual with social enterprise
- A charitable wider cultural trust

3.3 The executive summary to their report is given at Appendix 2. The advice of the consultants is:

- to create a charitable trust as a company limited by guarantee, as the model which is most tried and tested and would deliver maximum savings with greatest flexibility for the future.
- that the Trust should encompass Libraries, Archives and Information, Adult Learning and Skills, and Cultural Services (Museums, Arts and Sports Development)
- that the Trust should potentially include other related services in future – to give greater scope for increased business, and financial stability.

Full details of the evaluation including legal and financial implications are set out in the full report, which is available separately. Although it is an ambitious timescale, the consultants' advice is that it would be possible to establish the Trust by April 2012.

3.4 Both of these projects are ambitious and highly complex, and being driven to very tight timescales. Although there is a willingness and commitment from all parties to make these projects work, nevertheless there are significant risks as well as a wide range of legal, Human Resources (HR), staff, political and consultation ramifications which will need to be worked through in order to mitigate the risk of potential challenge and ensure a robust way forward.

3.5 A key issue is the model and degree of support which the Council will give to assist the service to externalise as part of the Council's move to become an 'enabling authority'. The issues encapsulated in this process include:

- The achievability of these ambitious projects in the available timescales, given the need to front load the Council's Integrated Plan budget plan (see section 7 below)
- The issue of corporate overheads was raised in the previous Cabinet reports on the Library Service Review and again within the Leonie Cowen & Associates report along with the implications of how this will relate to Local Government Shared Services (LGSS). Overheads specifically for the Library Service amount to £1.7m apportioned from a range of corporate budget headings. Work is being carried out to establish the future position regarding these budgets, because it is clear that:

- some will not yield savings
- some will need to form part of the base budget of the Trust for the purchase of support services. Of these, in some cases the Trust may be required to continue purchasing support from LGSS; in other cases it may be able to procure support elsewhere; in some cases budget may be released as a saving against Community and Adult Services or corporate budgets
- the key principles which should inform these future arrangements are the achievement of transparency and value for money

- How a stable position for the new Trust can be achieved, given further planned and potential reductions in service size in subsequent years as part of IPP, which could affect the viability and stability of the Trust. This work includes addressing the balance of risks associated with such issues as capital assets and liabilities, pensions etc.
  - The capacity of staff to deal with the range and complexity of all these interdependent strands of work, particularly if further demands are placed on them in terms of dealing with the transfer of local service delivery to community operated access points, wider community hubs, or possibly library closures. Extra capacity has been found to drive the creation of the Trust independently of the service.
- 3.6 It should also be noted that statutory responsibility for the Library Service would remain with the County Council and Members would remain democratically accountable for the service, albeit the service would be delivered by a separate organisation under contract. It is also of critical concern to ensure that the processes of change are robust and not open to challenge.
- 3.7 **SPINE:** Agreement has been reached by 5 partner authorities (Cambridgeshire, Essex, Suffolk, Southend and Thurrock) to share the delivery of:
- Bibliographic services (book acquisition and supply, rotation and disposal)
  - Electronic and digital services (including a single Library Management System)
  - Information and enquiry services
- 3.8 This project is projected to produce savings for Cambridgeshire County Council which cumulate to a maximum annual saving of £337,755 from Year 4 (2014-15) onwards, taking into account initial set up costs especially in 2011/12 and 2012/13. There is a project implementation plan in place to deliver this shared service model by September 2011. A project implementation group has been established under the leadership of a Project Manager, and the initial feasibility work has been tested and audited independently by consultants from the Tribal Group.

#### **4.0 ALTERNATIVE APPROACH TO SERVICE DELIVERY**

- 4.1 A detailed investigation has been carried out into the feasibility of an alternative approach to service delivery based on restructuring libraries into 6 clusters based around the six larger 'hub' libraries. This would involve introducing self service facilities into all libraries, streamlining front line operational tasks, reducing the numbers of paid staff, and encouraging greater community participation in the service through volunteering, advocacy and fundraising. A full business case on this aspect of the Review is attached as Appendix 3 to this report. Savings of more than £200,000 would be achievable through this model, with Invest to Transform resourcing and pay back over a defined period.
- 4.2 The results of the public consultation questionnaire showed that there is strong public support to proceed with the 'Alternative Service Delivery' approach, as an alternative to closing libraries. 69% of respondents

supported the use of this approach in future, based on the idea of maximising self-service in libraries whilst reducing the number of staff. A high proportion (48%) of respondents stated that they would be prepared to support the library service by volunteering in some capacity, and 1800 people have already registered their interest in volunteering.

- 4.3 Rollout of this approach is achievable by April 2012, with half the savings realised in 2011 and half in 2012. There are significant benefits from this approach. This includes maximising the number of libraries directly run by the Trust, and greater involvement by communities as part of the localism agenda. However, there are significant risks associated with introducing this major cultural change and restructuring in a very rapid timescale.

## **5.0 REVIEW OF LIBRARY SERVICE INFRASTRUCTURE**

- 5.1 A full business case setting out this aspect of the Review is attached at Appendix 4. This includes a review of the methodology for the initial assessment of libraries for potential alternative forms of delivery or closure. The methodology has been revised and expanded by the inclusion of additional data sets in order to ensure equality of treatment of rural and urban areas. This version has been endorsed by the Libraries, Museums and Archives Council, and serves as a starting point for more detailed discussion and consultation on:
- the sharing of buildings as community hubs (there is significant public support for working to establish libraries as multi-agency community hubs: 77% of Library Service Review questionnaire respondents said that library buildings could also be used as community meeting places for groups, exhibitions and other activities)
  - community capacity and appetite for taking over the running of libraries as Library Access Points – i.e. community managed and operated delivery points
  - the closure of libraries as a last resort – and then with mitigation measures such as replacement mobile library stops
- 5.2 An explanation of the methodology and the results of the assessment are given at Appendix 5.
- 5.3 The results enable political decisions to be made about how to balance community need against the performance of libraries. They provide a rational basis from which to prioritise libraries for conversion to a community operated model of provision, multi-agency community hub, or possible closure. This will be used in order to consult the public about the rationalisation of the library service infrastructure in order to make required savings in 2012/13.
- 5.4 Officers recommend that the Council adopts the principle of targeting the Council's direct operation of libraries at the largest libraries and at communities with the greatest need.
- 5.5 It must be stressed that the outcome of the assessment alone will not be the only basis for deciding the future way forward for the community libraries. The further consultation and consideration described in paragraph 5.1 will be informed by individual library profiles giving commentaries on their performance and the community served.

## **6.0 REVIEW OF THE ROLE OF CENTRAL LIBRARY, CAMBRIDGE**

- 6.1 In response to the request from Cabinet, work has also been carried out to review the role of the Central Library, Cambridge in relation to other libraries in the city and its fringes, particularly as city libraries were excluded from the last major library service review in 2002/3, due to the anticipated redevelopment of the Central Library and the consequent reliance on the community libraries in the city for alternative service delivery. A report of this review is attached at Appendix 6.
- 6.2 In summary, whilst it would be possible for the Central Library and the remaining city and fringe branches to cope with the additional use caused by the closure or integration of a maximum of two city branch libraries, it would not be possible for the service to cope with the displaced use from all 5 city branches were they all to close. Any increased demand on Central Library would require a significant reconfiguration and rebalancing of the stock, with an increased emphasis on popular stock rather than specialised stock and services. This would impact on the current range of Central Library services as a whole, as well as on the library's potential to realise significant additional income, particularly from the letting of space for commercial use.
- 6.3 The recommendation to Cabinet at this stage, therefore, is to include those city and fringe libraries that are not in areas of most need as part of the further assessment of, and consultation on, the library infrastructure. This next stage would be part of the process described in section 5 above.

## **7.0 LIBRARY SERVICE SAVINGS AS SET OUT IN THE COUNCIL'S INTEGRATED PLAN**

The context for the Library Service Review is underpinned by the savings required by the Council in its Integrated Plan for the coming 5 years, and follows budget reductions of £445,000 in 2010/11. The implications of this are set out in below, in order to provide an overall view of the strategies for savings in Libraries:

<b>Description</b>	<b>Notes</b>	<b>2011/12 £000</b>	<b>2012/13 £000</b>	<b>2013/14 £000</b>	<b>2014/15 £000</b>	<b>2015/16 £000</b>	<b>Total £000</b>
Reductions agreed in previous IPP	i.e. reduced running costs, increased income, and renegotiated enhanced pay rates	-£282	-£80	-	-	-	-£362
Mobile library service	Full year impact of reductions in 2010-11	-£108	-	-	-	-	-£108
Alternative Service Delivery model	Service transformation, based on: - revised staffing patterns	- £100	- £100	-	-	-	-£200

	- self-service - use of volunteers (See section 5 below)						
Possible conversion of libraries to community hubs or their transfer to a community managed and operated model	Service transformation, based on exploring at the local level with partners and communities the possibilities for: - combining with other public services and / or other libraries by sharing the use of buildings as local community "hubs" - developing ways of involving local communities in managing and operating local libraries - including exploring links with the proposed trust for Cambridgeshire libraries, adult learning and culture services	-	-£200	-£119	-£254	-	-£573
Reduction to book fund	Temporary saving for one year to take account of Year 1 front-loading	- £343	+£343	-	-	-	£0
Externalisation and shared services	SPINE and moving to Trust	-£294	-£1,006	-	-	-	-£1,300
Alternative funding for Engage	To be fully externally funded	-	-£33	-	-	-	-£33
Year 5 savings – currently unidentified		-	-	-	-	-£622	-£622
<b>TOTAL</b>		<b>-£1,207</b>	<b>-£1,039</b>	<b>-£82</b>	<b>-£254</b>	<b>-£622</b>	<b>-£3,204</b>

It should be noted that the above scenario – especially in relation to Year 1 – would be even more difficult without the transfer of funds (totalling £430,000) from the Adult Social Care and Children and Young People's Services' budgets.

## **8. FINANCIAL IMPLICATIONS**

- 8.1 The Library Service Review Board has worked on a range of measures (outlined above) to formulate and deliver the savings as set out in the Council's Integrated Plan. A key issue – as explained in paragraph 3.7 above – concerns the cost of corporate support, and whether some or all of the relevant budgets can be included in any externalisation package.
- 8.2 The financial implications of the SPINE project are set out within the business case, in terms of both anticipated savings and initial set up costs.
- 8.3 The financial implications of externalising the service to a charitable trust are fully explored within the full report from Leonie Cowen & Associates.
- 8.4 Invest to Transform funding will be required to facilitate the move to the Alternative Service Delivery approach, which will be paid back over an agreed period; the details of this are set out within the business case.

## **9. RISK MANAGEMENT IMPLICATIONS**

- 9.1 Members are advised of the following **key** risk management implications arising from this report. These risk issues have been identified using a risk management process carried out in accordance with the Council's risk management strategy.

*The Library Service Review implementation carries the key risks shown below:*

- a) *Failure to meet the required savings within the IPP within the timescales due to the complexity of the interdependent strands of the work and the lack of capacity of staff to carry out such a heavy and complex workload.*
  - b) *Given the radical nature and scale of the proposals there may be staff and union opposition to these proposals, especially relating to job losses, restructuring, renegotiated pay rates for weekend working, increased working with volunteers, rapid and extensive changes to working patterns.*
  - c) *Lack of community capacity to respond to the invitation to run local libraries or to participate in volunteering to support the Alternative Service Delivery approach.*
  - d) *Risk of legal challenge if service reductions threaten the Council's ability to fulfil its statutory duty to provide a comprehensive and efficient library service.*
- 9.2 In order to manage these issues a number of mitigating actions are to be taken in accordance with the management action plans prepared by the identified risk owners. Examples of key actions are illustrated below for Members' reference:

*Risk (a) Additional internal staff resource is currently being identified to help support this major and leading change project for the Council. The Project Board will take responsibility for monitoring the work strands and taking action to mitigate these risks.*

*Risk (b) There is HR and union representation on the Project Board, as well as staff working on the Project Implementation Team and a Staff Forum for consultation. All the proper procedures are being followed to minimise potential conflict.*

*Risk (c) The response to the public consultation in terms of volunteering is encouraging, and communities are already galvanising in support of their local libraries. Work is underway to map the response to volunteering, and assessment and consultation on community capacity will be part of the decision making process going forward.*

*Risk (d) National bodies including MLA (Museums Library and Archives Council, CILIP (Chartered Institute of Library and Information Professionals) and DCMS (Department of Culture, Media and Sport) have been made aware of Cambridgeshire's approach to this Review, which is reflective of the innovative, needs driven and community led approaches these bodies are promoting.*

## **10. CLIMATE CHANGE IMPLICATIONS**

10.1 There are no significant implications.

## **APPENDICES**

**Appendix 1:** Business case on Externalisation

**Appendix 2:** Executive Summary of Leonie Cowen's externalisation report (**Note - no longer confidential**)

**Appendix 3:** Business case on Alternative Service Delivery approach

**Appendix 4:** Business case on Library Service Infrastructure

**Appendix 5:** Library Assessment methodology and results

**Appendix 6:** Report of Review of the role of Central Library

**Appendix 7:** Report of Public Consultation on the Library Service Review

<b>Source Documents</b>	<b>Location</b>
Leonie Cowen & Associates <i>Evaluation and business case for externalisation options for the Libraries, Learning and Culture Directorate, Cambridgeshire County Council.</i> December 2010. (Full report)	Libraries HQ, Room B112, Castle Court Shire Hall, Cambridge